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CANADIAN REPORT
TO THE
22ND INTERNATIONAL CONFERENCE
ON SOCIAL WELFARE
MONTREAL, AUGUST 5 - 12, 1984

SOCIAL RESPONSIBILITY ...
TO CHALLENGE THE FUTURE

CANADIAN COUNCIL ON SOCIAL DEVELOPMENT
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INTERNATIONAL ASSOCIATION OF SOCIAL WELFARE

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Foreword

The Canadian Committee of the International Association of Social Welfare is most honoured to host, in 1984, the 22nd International Conference on Social Welfare. On this occasion, the Committee decided to make a departure by entrusting to a social development agency, rather than to an individual, the mandate of preparing the Canadian Report.

It was with much enthusiasm that the Canadian Council on Social Development accepted the invitation of the Canadian Committee and undertook the presentation of this report.

In order to fulfil its mandate, the Canadian Council on Social Development held five regional symposia in the spring of 1984. These symposia dealt with national priority issues also of special interest to the regions. The proceedings and recommendations which emerged from these symposia are contained in this report. The recommendations presented here are proposed action for the orientation of social policies to the end of this decade in Canada.

This document is being distributed to the participants to the 22nd Conference of the IASW in Montreal in early August 1984 and constitutes the Canadian Report traditionally submitted to these international conferences.

The report will also be submitted to the Canadian national plenary to be held August 9 and 10, 1984, within the framework of the international conference. It will therefore serve as the working paper for this national plenary, whose purpose is to establish the basis of an agenda for action on Canada's national social development priorities.

The collective process used in the preparation of this report is important as social development is not only a gradual process, but a collective and democratic process as well. Citizen participation is an essential element of social development.

The approach adopted by the Canadian Council on Social Development reflects its conviction that the best social policies are derived from the application of a democratic process in which the public plays an active role in defining the orientations and fundamental social choices of a society.

The production of the report and the coordination of the regional symposia were entrusted to Jean-Bernard Robichaud, social policy advisor to the Canadian Council on Social Development. Mr. Robichaud obtained a master's degree in social work from the Université de Montréal and a Ph.D. from the School of Social Services Administration of the University of Chicago. He is also chairman of the Board of Directors of the International Conferences on Social Development, the Canadian body responsible for organizing the 22nd International Conference on Social Welfare, the 22nd International Congress of Schools of Social Work and the 8th Symposium of the International Federation of Social Workers.

In submitting this report, we wish the International Conference complete success and invite the members of the international social welfare community to contact their Canadian and Quebec colleagues. We welcome you with open arms!

Michael Oliver President Canadian Committee of the International Association of Social Welfare	Michael Clague President Canadian Council on Social Development

INTRODUCTION

In the field of social development, Canadians are facing a major structural crisis that raises important questions concerning what the Western industrialized countries refer to as the Welfare State. Partisans of social policies must critically and urgently reassess their concept of a good life for most Canadians. We, like everyone else, must renew our concept of collective responsibility and social policies. In order to meet the challenges of the future, we are searching for new ways of formulating social policies so that they correspond to our ideal and correct the injustices and inequalities that continue to overwhelm so many of our fellow citizens.

Throughout the many rapid changes our society is undergoing, an increased sense of social responsibility is essential if we are to meet the challenges of the future. In this report, we will attempt to determine the changes which must take place in order to transform a society concerned about social problems into a socially responsible society in which social solidarity expresses itself more freely and fairness and equality gain ground. We will attempt to discover the means whereby, as social agents, we can improve the quality of the collective responses to fundamental social and human needs.

The problems Canada faces with respect to social welfare are many and varied. The Canadian Council on Social Development, in choosing the form of regional symposia for preparing this report, reflected the diversity and complexity of the Canadian social structure. Each region chose a theme which, while representing a theme of national significance, is of particular significance to the respective region.

On the country's west coast, in British Columbia and in the Yukon, the symposium was about the political, governmental, professional and economic implications of a vast program, defined by the government of British Columbia, of budgetary restraints and privatization to limit the public trust. The study of the theme: **Privatization and the Public Trust** is of some urgency in this province because of the scope, unprecedented in Canada, of the measures taken and the fundamental change in direction of provincial social policies arising out of the adoption of this program by the legislative assembly. The theme is of considerable interest to all other regions of Canada, as a number of provincial governments are following the development of the situation in this province. They could follow suit if there is some indication that these new right-wing directions are taking hold and are accepted fairly readily by the population.

In the Prairies region, which includes the provinces of Alberta, Saskatchewan and Manitoba and the Northwest Territories, the theme is: **The Native Child Welfare System and Social Services**. In 1983, the Canadian Council had already drawn the attention of Canadians to the effects of the child welfare system on Native children, their families and the Native community as a whole.[1] The problem assumes greater proportions in this region of the country, but it is nevertheless a topic of national concern. This is especially true within the context of the constitutional talks currently in progress between representatives of the federal government, the provincial governments and the First Nations.

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[1] Patrick Johnson, Native Children and the Child Welfare System, Canadian Council on Social Development, Ottawa, 1983.

Poverty: The Forgotten Reality of the 1980s was the subject tackled by the participants at the symposium held in Ontario. In 1983-84, the Canadian Council on Social Development formed a task force whose mandate was to review the poverty thresholds used by the Council and renew their relevance. The task force held hearings in several cities across the country. Those groups that appeared before the task force revealed poverty conditions which are too frequently ignored, even in a period of economic hardship. The poor living conditions of still sizeable segments of Canada's population throw into doubt the ability of social and economic policy systems to resolve the persistent problems of poverty and social destitution. Faced with the evidence, there is reason to wonder whether there is a political willingness in Canada to find answers to these problems.

In Quebec and the Atlantic provinces, which represents one-half of Canada's ten provinces and 35% of its population, the themes were employment and unemployment.

Under the theme **A Job For Everyone?**, the participants in the Quebec symposium focussed their attention on the situation of four categories of workers that are particularly vulnerable to unemployment: young people under age 30, the disabled, older workers, that is those over age 45 having a reduced work capacity, and women heads of households. Emphasis was placed on the choice of policies and programs that provide these individuals with better access to the job market. In the Atlantic region, the most disadvantaged region in the country from industrial and economic standpoints, the work of the symposium centred on **Employment Priorities for Future Policy**.

The themes discussed in Quebec and in the Atlantic provinces reflect a central concern of the populations of these provinces as for some time they have experienced unemployment rates consistently higher than the national average. For example, during the deepest economic recession since the 1930s, in December 1982, this region of the country, which accounts for just 35% of Canada's population, represented 46% of the unemployed.[2]

The evolution of the situation of employment, unemployment, moonlighting, the concept of work itself, and the growing difficulties that Canadians face in finding stable and permanent paid employment constitute a major source of concern among the population. The lack of work, particularly for the young, has considerable negative impacts at both the personal and community level. The wrong done to half a million young Canadians out of work and to all their unemployed elders is without doubt the major tragedy facing Canadian society in 1984.

The evolution of the job market and the problems it creates question traditional concepts as well as economic and social policies. A number of agencies have already noted that "the job market was the place that most determined inequalities".[3] The Canadian Council on Social Development has recognized the strategic dimension of the evolution of the job market for social policies by identifying the problems of employment and unemployment as the top priority of its 1983-84 agenda for action. It is because of its importance and its profound implications for the social policies of Canada that this question will appear again in various forms throughout this report.

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[2] Statistics Canada, Statistical Report on the Operation of the Unemployment Insurance Act, October-December 1982, Cat. No. 73-001, quarterly, table 31, p. 68.

The modernization and renewal of the welfare state in Canada are certainly in the process of granting recognition to the right to work and of establishing policies that support a better distribution of community wealth, while recognizing the necessary evolution of the very concept of work, and enabling everyone to engage in productive, creative and fulfilling activities.

The themes of the regional conferences will then be placed in a national perspective. The Canadian system of social policies represents a highly complex body of legislation and measures that reflect the two levels of jurisdiction: federal and provincial.

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[3] Léonard Roy, president of the Conseil de planification et de développement du Québec, "Les inégalités socio-économiques au Québec dans l'actuel contexte de crise", Service social, Université Laval, Vol. 32, No. 3, p. 331.

PART ONE

REGIONAL PERSPECTIVES

CHAPTER I

EMPLOYMENT PRIORITIES FOR FUTURE POLICY[1]

The Atlantic consultative workshop brought together, in Moncton, about 75 participants from the four Atlantic provinces: Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick. The participants represented a wide range of economic and professional sectors: government, business, trade unions, universities, workers and nonworkers... The workshop was divided into three parts:

1) general outlook,

2) perspectives, and

3) needs and responsibilities.

1. General Outlook

Under the coordination of Barbara Baird-Filliter, ten individuals helped to depict the general outlook with respect to socio-economic problems and employment in the four Atlantic provinces.

It is relatively easy to predict the evolution of unemployment based on current trends: the levels of unemployment will remain quite high (above 10%) at the national level for the rest of the 1980s. Disadvantaged regions, such as the Atlantic region, and subregions, such as Newfoundland, northeastern New Brunswick and the far eastern sector of Nova Scotia, and certain specific groups (minorities, Native peoples, youth and women) will continue to experience disastrous levels of unemployment. Unemployment may even exceed 20% and soar as high as 30% to 40% in some cases. There is little hope of altering this situation given the current state of the political consensus.

Most of the conference's participants, from both sides of the employment line, employers and unemployed, employment policy-makers and workers, hope to find an honourable way of emerging from this "job crisis". The message from the conference, however, is clear: under present conditions, most unemployed will not find access to a job which pays well enough to adequately support a family. Only a major change in the direction of Canadian employment policies can provide a glimmer of hope for change. This is all the more true for certain groups: the disabled, older workers, women, youth and members of minority groups. The employment problem is structural and only structural solutions can resolve it. How can jobs be offered to people when the number of jobs created is consistently inadequate?

1.1. A call for moderation

Mrs. Nancy Clark Teed, Minister of Social Services for New Brunswick, in welcoming the participants on behalf of her government, commented that while the period we are going through is a difficult one, there is no place for a defeatist attitude. The current period of crisis demands greater cooperation between the various levels of government. Much is expected of the federal government, as it holds the main powers of taxation.

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[1] The Canadian Council on Social Development thanks Professor David Williams from the Maritimes School of Social Services for his contribution to the writing of this chapter.

The New Brunswick government, for its part, despite reduced federal funding in the health and post-secondary education sectors, has made no drastic budgetary cutbacks. The minister of Social Services is attempting to redirect services towards the population in greatest need of these services, and to encourage the most disadvantaged groups to find their own answers. Governments can no longer be expected, as in recent decades, to provide all the answers and solve all the problems. There is a limit to what governments can do, Mrs. Teed said, and this must be recognized.

The expansion of the volunteer sector is of prime importance and, in New Brunswick, volunteer assistance is being increasingly sought. Social workers themselves are able to take part in volunteer activities; they can help each other and provide services to their fellow citizens, thus contributing to a better quality of life for communities.

The problem of unemployment among youth and students is critical. Opportunities must be created to assist young people to find work. Job creation programs must be renewed. The student summer employment program is expected to provide 450 jobs during the 1984 summer in New Brunswick, at a cost of $800,000.

Only parents will receive assistance under a new program introduced by the ministry of Social Services which emphasizes training and the development of technical and professional skills to increase the prospects of finding a satisfactory job and developing a career.

In conclusion, the minister said that although it is easy to criticize big business and governments, it is necessary to go beyond criticism and propose realistic alternatives. She suggested that participants not lapse into radicalism, as she did not see any way out. She hopes that the conclusions of the symposium will be useful to her government and provide elements of a solution to the serious problems confronting the Altantic region.

1.2 Difficult economic perspectives

For his part, the key-note speaker, Mr. Bob Stuart, President of the Atlantic Provinces Economic Council, evoked the specific situation of the region that is characterized by its limited population and its minimal influence on the national scene. He thinks that only an approach based on regional cooperation can bring an end to traditional economic disadvantages, reduce regional dependency and create a more dynamic and self-sufficient regional economy.

The economy of the Atlantic provinces is characterized by major, deeply-rooted structural weaknesses. The fundamental concerns found at the national level, for example, the technology trend or the adaptation of the job market to absorb all those who want to work, take on specific, very distinct meanings in this disadvantaged region. The regional economy is heavily dependant on the primary sector; little growth is attributable to heavy industry or the manufacturing sector.

The per capita income of residents in the region remains low. There are even indications that it has recently deteriorated in proportion to the national average. For example, the per capita personal income in Newfoundland is 65% of the national per capita personal income.

The economy's weakness is also reflected in the revenue sources of the provincial governments, which depend largely on federal transfers. Taxes, of every description, are among the highest in Canada. Provincial deficits are massive owing to the effort of each government to maintain the current level of expenditures and services.

Although a number of investment projects have improved the infrastructure in the region as a whole, the problems of transportation and communications are still serious and have a negative impact on the profitability of businesses. The relative optimism of the past decade is gradually giving way to a feeling that stagnation is setting in and that even the position of the regional economy is deteriorating in relation to the national economy.

Unemployment rates in the region continue to be higher than the national average:[2]

Prince Edward Island	12.2%
Nova Scotia	13.0%
New Brunswick	14.8%
Newfoundland	18.8%

One comment by Mr. Stuart enables us to understand the significance of these rates: "Fifty per cent of those who filed income tax returns in 1981 in Prince Edward Island, stated they had received unemployment insurance benefits during the year".

The job crisis can be expected to continue throughout the remainder of the decade as it is anticipated that job creation will remain lower than the supply of manpower. Between 1975 and 1983, the average yearly growth rate of the labour force in the Atlantic region was 2.12%, whereas the average yearly job creation rate was just 1.5%. In short, Mr. Stuart does not foresee any substantial improvement in the region's economic performance.

Given this gloomy outlook, Mr. Stuart made a number of observations apt to influence the symposium participants.

- From the demographic standpoint, he noted that the growth rate of Canada's population is declining, that the population is aging, and that the participation rate of women is on the increase while that of young people is on the decrease. In his view, it follows that the influx of skilled labour will drop and that it will be necessary to reorganize the labour force based on current human resources, owing particularly to the decline in the number of young male workers. This will require additional efforts in the area of manpower training for both current employees and those entering the job market. The increase in the participation rate of women will bring about changes in hiring practices. The aging of the labour force will require greater attention on our part to seniority and pension plans.

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[2] Updated data for April 1984. Statistics Canada, The Labour Force, No. 71-001, Monthly, Table III, Major estimate by province.

- With respect to prospective economic growth, he mentioned the following factors: yearly national growth rates of about 3%, inflation will be contained at about 5%, interest rates will rise to about 12% and government deficits will be high. He concluded that caution is called for when making the structural changes necessary for increasing our economy's productivity; the evolution of the international economy could have a major impact on the direction we give our future policies. We will continue to face underemployment of the labour force and even of all our resources. We should be cautious of the relationship that exists between greater productivity and wage increases. Society and industry must adapt themselves to slower growth rates.

- From the standpoint of competition, he pointed out that it is determined by several factors, such as prices, productivity, exchange rates, marketing, and so. Economic growth will depend on our ability to be competitive on the international markets and technological change is becoming an increasingly important factor in the increase of our productivity. We can expect major changes in employment owing to technological changes, particularly in the labour-intensive sectors. Furthermore, job creation will move towards the tertiary sector, the services industry. There will be a reduction in the number of jobs requiring general training in favour of well-paid, highly technical and specialized jobs, and in low-paying service jobs that call for little technical knowledge. Substantial efforts must be made to train and up-grade the labour force for more technical and specialized jobs.

- With respect to government policies, the speaker anticipates particular attention to job programs for youth, nondiscrimination in the workplace, pension reform, the sharing of increases in productivity and the fight against inflation. Consequently, job grants and youth training will be continued, but programs developed by the private sector will be favoured. The hiring of women will continue to be encouraged and we will see the appearance of more flexible compensation systems linked to increased productivity. The cost of fringe benefits and social benefits will continue to rise.

- As for social factors, it is noted that the make-up of the labour force reflects the social changes that are occurring. There is an increase in divorces and single-parent families, and the size of the family is decreasing. Social factors on the whole encourage an increase in the labour force at a time when unemployment is already quite high.

In conclusion, Mr. Stuart called for moderation. "The time is not right for management-union conflicts, friction between governments and the militant action of certain special-interest groups." On the contrary, the crisis calls for cooperation among all groups. It is only through the efforts of each that a responsible society can meet the challenges posed by unemployment, economic recovery and technological change.

Eight individuals then commented on the remarks of Mr. Stuart.

1.3 Local and community approaches

Sylvestre McLaughlin, of the New Brunswick Economic Council, drew attention not to overall solutions, but to local and community approaches. Only the overall picture is pessimistic, and the experts have a tendency to see their intervention from too global a perspective". It is at the microeconomic level that efforts must be directed, keeping in mind that small- and medium-sized businesses provide the majority of jobs. The main challenge would be to promote small business development; some examples, such as fishing cooperatives, were cited to support this argument.

1.4 The need for affirmative action programs

Carlos Gomes, from Employment and Immigration Canada, questioned the call for moderation and cooperation as it was formulated. He recalled that cooperation among various groups is not possible unless the systemic discrimination that excludes many categories of people from the job market is corrected. Militant action and the struggle for the recognition of the rights of minorities and the excluded, are still necessary if the various categories of disadvantaged individuals are to be treated fairly by businesses and by government bureaucracies. Government affirmative action programs must therefore be intensified.

1.5 Relaxing the administration of social welfare and unemployment insurance

Harold D. Crowell, administrator of social welfare programs in Halifax, suggested that new means of distributing the wealth are needed. Social welfare is merely a source of humiliation for its recipients. He therefore advocated greater flexibility in the administration of social welfare and unemployment insurance funds. A portion of these funds should be used for job creation.

1.6 Exclusion of the First Nations

The special problem faced by the First Nations with respect to government job creation policies was underlined forcefully by Mr. Anthony Francis, former chief of the Big Cove reserve and ex-president of the Union of New Brunswick Indians. Native peoples are **de facto** excluded from the development and administration of government job creation programs because these programs are not adapted to the Native way of life. A fundamental problem which illustrates this difficulty, is that these job creation programs are based on the corporate model of private ownership, whereas property is community-owned among the Native peoples. Problems of this nature prevent these communities from benefiting from programs because the difficulties become insurmountable for them.

1.7 The grievances of entrepreneurs

James Lemesurier, an expert in labour legislation, emphasized the constraints on employers and their exasperation with respect to the hiring and firing controls imposed by the federal government. These controls discourage job creation, with the entrepreneur benefiting less and less from freedom in the operation of his business. The controls become increasingly burdensome and the risk of starting up a business and keeping it going is heightened, creating a negative impact on job creation.

1.8 The plight of the young

Presenting the youth viewpoint, Alanna Hanrahan explained the results of a survey done in Newfoundland which revealed the difficulties youth are encountering. Young people are increasingly excluded from the job market; 42% of young people under thirty years of age in Newfoundland are currently out of work. Assistance programs do not adequately meet the needs of the young. Certain eligibility criteria, such as work experience on the job market reflected by unemployment insurance contributions, eliminate a large number of young people and prevent them from benefiting under certain programs. Young people face a vicious circle; they are not hired because they have no experience, but they cannot gain experience because no one will hire them. A complete generation of young people is being sacrificed.

1.9 Poorly paid and poorly regarded jobs for women

According to Isobel Christian, from the Women's Employment Development project for Prince Edward Island, the phenomenon of women heads of households is growing and women fear being forced off the job market as a solution to the current crisis. It must be remembered that women enter the job market out of necessity and hold poorly paid and poorly regarded jobs. Technological change will affect women's work in offices and a number will find themselves unemployed because of the "information revolution". The training of young women continues to be largely unsatisfactory in preparing them for the new conditions of the labour market. They are not adequately prepared for the high technology sectors.

1.10 Fundamental changes in current policies

The representative from the New Brunswick Federation of Labour, John Murphy, distanced himself somewhat from the views of the speaker. He stressed that the situation is even more difficult than what Mr. Stuart described. He stated that the human and social dimensions of unemployment are very harsh and that, furthermore, unemployment represents astronomical economic costs. He wondered what proportion of the national deficit was attributable to the revenue loss that resulted from unemployment and underemployment.

It is only through fundamental policy changes that the current situation can be improved. The continuation of present policies will not resolve the problems they have generated; current policies can only aggravate current problems.

As an alternative, he recommended short-term government stimulation of the economy. It is not through budgets that penalize the most needy, regressive tax measures, income taxes and very high consumer taxes that the unemployed will be returned to the job market.

More long-term solutions range from better planning of the economy to an overall industrial strategy. He advocates a policy of full employment, better control of investments and profits, and a policy of manpower training and retraining to meet industrial changes. An overall industrial strategy should provide for technological change and a better recognition of workers and their organizations. Mr. Murphy said 'yes' to cooperation, but workers alone must not bear all the related costs.

2. Perspectives

Three talks on policy structure shed light on various aspects of employment-related problems. We will focus primarily on the argument developed by Mrs. Lise Poulin-Simon, from the "Institut de recherche appliquée sur le travail", in favour of a policy of full employment.

2.1 Lack of consensus with respect to solutions

Mrs. Catherine Wallace, a member of the Royal Commission on the Economic Union and Development Prospects of Canada, presented notably the viewpoints of the Commission with regard to employment and the stakes related to it.

A central observation of the Commission to date is the lack of a consensus as to the nature of our problems; there is no shared, common understanding as to the source of our problems and still less as to solutions for the future. This observation reflects clearly the current state of crisis in Canada. We do not share a common vision, but the Commission has a mandate to create a consensus, to present the options and identify the main trends that will enable us to solve the dilemmas that confront us.

In the Commission's view, job development and the evolution of wages and prices must be considered together. The fight against inflation continues to be a central concern and keeping prices down seems the preferred route for ensuring higher, adequate levels of employment. It clearly seems that employment policy continues to be subordinated to that of wage and price controls.

2.2 The psycho-social aspects of unemployment

Dr. Léandre Desjardins, chairman of the working group of the Canadian Mental Health Association which published the report Unemployment: Its Impact on Body and Soul[3], emphasized the human cost of unemployment. As a society, we are ashamed of the extent of the problems our policies have created. We have deliberately decided to allow unemployment to increase in order to fight inflation, in view of the international crisis. He said that the unemployed fulfil both an economic and a social function. Economically, they reduce the pressure on wage increases, and socially, they reaffirm the need for work as the means of achieving personal self-fulfilment and dignity; in short, they reconfirm the need for the work ethic. He explained how the employment crisis represents a breakdown between our values and our actions as a society. Like some farmers in New Brunswick, we have come to place our peace of mind and security in the hands of others, and have thus abandoned our freedom of choice and become very vulnerable. He appealed for employment policies more in keeping with human values.

2.3 A plea for a policy of full employment

Lise Poulin-Simon and her colleague Diane Bellemare have published Le plein emploi : pourquoi?. They are among those few economists who ask the question in economic terms and they strongly advocate the adoption of a policy of full employment.

Regular paid employment is still the means of acquiring a certain independence and economic security, of obtaining a social status related to the nature of the job and of acquiring a certain control over one's economic reality. The importance of paid work, to the individual and the community alike, cannot be denied. The economic costs of unemployment to society are astonomical; for example, in 1981, the fact that the national unemployment rate was 7.6% rather than 3.5% cost Canadians in loss of wealth about $40 billion and, as a result, the gross national product was 12% lower than what it might have been. Unemployment is not only a personal problem, or a social problem, but a problem that concerns the whole of society. A policy of full employment does not only benefit the unemployed and the taxpayers, but all identified groups that will benefit from a higher standard of living.

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[3] Sharon Kirsh, Unemployment: Its Impact on Body and Soul, Canadian Mental Health Association, 1983.

Furthermore, comparative studies between countries that have adopted a policy of full employment, such as Sweden, Norway, Austria, Germany and Japan, and countries such as Canada, England and the United States that prefer to combat inflation by allowing unemployment to rise, show that the economic performance of the first group is higher than that of the second.

The comparisons made by Mrs. Poulin-Simon indicate that countries implementing a policy of full employment improve their relative wealth as compared to those countries that have decided to ride out the international crisis by allowing a very high increase in the unemployment level.

Is a policy of full employment possible in Canada? According to the authors of the book Le plein emploi: pourquoi?, it is quite possible but the choices made would have to be fundamentally different from those currently being made.

First, a policy of full employment differs from the current policy of economic growth in that it gives priority to investment in human resources rather than the maximizing of profits. A major policy change would be needed straightaway. Political commitment to the pursuit of full employment means that all economic groups, governments, employers and trade unions would have to take measures to establish such a policy and arrive at a consensus.

Second, institutional mechanisms would have to be developed in the following three areas: macroeconomics, the labour market, and regional expansion. Institutions would have to be mandated formally to meet policy objectives on an ongoing basis.

The area of macroeconomics includes the control of budgetary and fiscal policies, trade and tariff policies, pricing and revenue policies. This should continue to be under federal jurisdiction, but new formulas would have to be found for negotiation with the provinces and social partners.

The area of the labour force includes training and retraining policies, mobility and information measures, the temporary creation of productive jobs, work sharing, measures concerning the work term, affirmative action measures and measures aimed at creating a more flexible job market.

The area of regional economic expansion includes subsidies for permanent job creation, tax and monetary incentives for job creation in new sectors, measures to provide technical and financial support to private, community-run and cooperatively-run small- and medium-sized businesses.

These last two policy areas, the job market and regional expansion, should logically be under provincial jurisdiction because the provinces are in a better position than the central government to be effective in developing and administering selective measures; Canada's geography, the distances in particular, the different cultural, linguistic and ideological differences, would make it difficult, if not impossible, to operate effectively flexible participating institutions capable of adopting quickly to the needs of the community. Furthermore, the provinces have jurisdiction in the employment, education and resource development sectors, which are affected by these two aspects of the policy. With respect to the labour market and regional expansion, the federal government could continue to play a certain role, though a far less significant one than that of the provinces, by assuring a certain coordination of federal policies, by offering forums for discussions and exchange at the national level, as it has done in the health and education sectors, and, possibly, by participating through financing the policy in various ways.

Two other conditions are essential to the development and implementation of a policy of full employment:

- The participation of the groups involved in administering the policy. This dimension is essential to the success and effectiveness of such a policy because those who benefit from it have an interest in becoming involved; we are speaking here of employer associations, labour organizations and the various levels of government.

- The institutional decentralization that guarantees promptness and flexibility of adjustments as well as rapid identification of the problems. Decentralization makes it possible to adapt the measures to the needs of communities and allows the communities themselves to take collective charge of the economic expansion of their region.

3. Needs and responsibilities

Most participants in the symposium expressed preferences concerning the choices our society should make for the future. The expression of needs and the desire to attribute a sense of responsibility were often convergent, but also divergent. Everyone had their own analysis of the causes of the crisis and prefers certain operational strategies to others. Four workshops and a plenary were devoted to expressing needs and formulating alternatives for the future.

Four issues were discussed in the workshops and taken up again in the plenary:

- What is the main problem confronting us with respect to employment?
- What strategies should be adopted to resolve it?
- Who should assume the responsibility of taking action?
- How can the participation of the population be assured?

Without limiting itself entirely to the workshops and the plenary, this section will present an overview of the main options formulated during the symposium.

3.1 Main problems

A number of explanations of the problems facing us with respect to employment were formulated. The levels of analysis varied considerably depending on whether the participants were attempting to develop solutions within the framework of current policy choices or to impose fundamental change in the choice of future policies.

Most of the participants would doubtless agree that the inadequate number of jobs created in the Atlantic Region is of primary concern. Inadequate job creation explains why a large proportion of the labour force is constantly excluded from the job market and, consequently, unemployed. The levels of unemployment are, and will remain, far higher than the national average throughout this decade, unless major changes are made in employment policy and, particularly, job creation policy.

Mrs. Penelope Rowe, vice-president of the Canadian Council on Social Development, probably expressed the feelings of the majority of participants when she called for both the federal and provincial governments to be more active, more aggressive in job creation and in the resolution of problems related to unemployment. Governments cannot leave this entirely to the private sector or channel their aid to the unemployed solely through stimulation of this sector. The situation of the Atlantic region demands and requires the direct involvement of both levels of government in the creation of permanent jobs.

In the view of Lise Poulin-Simon, the low level of job creation and the decline in the number of jobs are also a principal problem. According to her analysis, this is because of a lack of national consensus as to the priority to be accorded to maintaining and developing employment. Employment is still not regarded as a public asset on the same footing as health and education. Canadians are not sufficiently informed about the economic and social costs of unemployment. In her opinion, the principal cause of the problem is the overall policy choice in favour of economic growth rather than employment. A policy of economic growth is based on the premise of maximizing business profits which, in principle, should be reinvested in order to expand the business and create new jobs. From this viewpoint, job creation is the outcome of a policy of economic growth. With a policy of economic growth, inflation is fought in order to control wages and prices, leaving unemployment to soar. The primary source of problems encountered in Canada is therefore attributable to a lack of political willingness to maintain and preserve jobs. It is in this regard that change must first come about if we are to find a solution to the problems of unemployment endemic in the Atlantic region and elsewhere in Canada.

John Murphy's analysis was in the same vein and took the same direction. He thinks that governments should be more active in job creation, agree to maintain deficits and become directly involved in permanent job creation. He advocates stricter control of investments, greater employee protection in the face of technological changes, and ongoing manpower training. In short, he calls on governments for legislation that will support and achieve the objective of full employment.

Several participants, while agreeing that the lack of job creation is a main concern, felt that the cause was attributable to the lack of an industrial strategy that would enable the region to manage its resources and derive maximum benefit. There is inadequate provision for the processing of natural resources locally. We export raw materials and import finished products. We refuse to impose restrictions, even with regard to the transport of goods. A more rational management of our natural resources should serve as a basis for a shipping policy, for example. The maintenance and modernization of a Canadian merchant marine for these purposes would correspond to the traditional vocation of the Atlantic region and be a source of job creation.

For other participants, notably Mr. Georgio Gaudet, Deputy Minister of Social Services for New Brunswick, income distribution and redistribution is a fundamental problem that Canadians and the people of the Atlantic region must resolve. The policies of income security must be improved and made more flexible; the safety net of social welfare must be preserved. A number of administrators of social programs concurred and called for greater flexibility in the administration of social welfare and unemployment insurance programs. A portion of these funds should be redirected to job creation. Federal programs are not sufficiently sensitive to the lifestyles of those living in the more traditional and rural communities.

The participants also emphasized the lack of integration of economic and social policies. Too often, they are divergent and achieve results counter to what was anticipated. It is essential that a socially responsible society more effectively integrate its economic and social policies and that these also be regarded as having priority.

3.2 The options and a few strategies

- In order to achieve better integration of economic and social policies, a number of participants suggested the creation of an Economic and Social Council in Canada.

- Others, and it seemed the majority, felt that adoption of a policy of full employment would be a more effective way of integrating social and economic policies. The underlying rationale here is that a policy of full employment is economically and socially advantageous given the astronomical costs of unemployment from both the social and economic standpoints. A policy of full employment is, above all, one of investment in human resources.

- One workshop proposed the creation of a National Fund for Manpower Training in order to train and retrain workers and thus help them adapt to technological changes.

- Current job creation strategies are inadequate, because they support primarily the creation of temporary jobs. It was recommended they be amended to create permanent jobs.

- The present preference for job creation in the manufacturing sector should be mitigated to include and increase job creation in the tertiary sector and in certain sectors of the services industry. In the short term, alteration of these policies should allow for the involvement of community and local government agencies (municipalities) in the development of socially and economically profitable programs.

- Government grants should promote the development of small- and medium-sized businesses because these businesses are the main sources of new jobs. Grants to big business should be assessed according to their ability to generate permanent jobs and prestige projects should be eliminated.

- The administration of social welfare programs and unemployment insurance programs should allow for greater flexibility in the use of funds locally in order to promote job creation.

- Government affirmative action programs to promote the integration of disadvantaged groups into the job market should be intensified.

- A policy of full employment must be managed in a decentralized manner and promote maximum participation of all socio-economic agents that have an interest in the creation and maintenance of jobs.

To achieve this, the policy of full employment must be supported by institutions specially mandated for this purpose to enable the main economic and social agents -- governments, employer associations and labour organizations -- to reach a consensus. The responsibility is therefore one that is shared by the principal economic and social agents. It is essential to have the active participation of the groups administering the policy.

The institutions responsible for the policy of full employment must be decentralized to allow for more effective adaptation to local and regional conditions, for problems to be identified more quickly and for greater flexibility in identifying solutions. Local or regional socio-economic development councils should be established to ensure optimum decentralization of the policy of full employment.

In conclusion, these options and recommendations represent real possibilities for Canada and its regions. They can be introduced within a federal-provincial context, but they also make provision for municipal and local participation. The struggle against unemployment can be won if Canadians decide to establish a true policy of full employment as a national priority.

CHAPTER II

A JOB FOR EVERYONE?

On May 12, 1984, 80 individuals participated in the Quebec Consultative Symposium on the specific problems and difficulties of access to the labour market faced by four categories of workers:

- women heads of households receiving social assistance;
- jobless youth;
- the disabled;
- older unemployed workers.

A number of the participants and speakers were themselves recipients of social welfare or unemployment insurance benefits. Some disabled persons, militants -- for example, within women's or young people's groups -- and individuals from the employment sector and the community and social sectors also participated in the symposium.

There were three phases:

1) A panel presentation involving four speakers including a young unemployment insurance recipient, and a 56-year-old worker on social welfare for the past two years and formerly head of a business. The purpose of this panel presentation was to present the problems and obstacles, both structural and personal, to access to the job market encountered by those under age 30, women heads of households, the disabled and workers over age 45.

2) A keynote address, delivered by Mr. Pierre Sarault, Deputy Minister of Manpower and Income Security, about the general evolution of the employment situation in Quebec and the prospects for the most vulnerable groups, followed by a question period.

3) Workshops that enabled the participants to explore the prospects for solution and make recommendations.

After presenting a summary of Mr. Sarault's lecture, the results of the panel presentation and workshops for the four target groups will be discussed.

1. The keynote address

Mr. Sarault's lecture aroused great interest judging from the questions that followed. The speaker recalled that the 1982 recession had been the most severe in Quebec since the 1930s. Production plummeted to 6% in real terms and 140,000 jobs were lost. The 58,000 new jobs created in 1983 fell short of the job level at the end of 1981.

Owning to three major structural factors -- demographic changes, increased international competition and technological changes -- it is expected that the unemployment level will remain at over 10% for the remainder of this decade in Quebec. The high level of unemployment will be a major problem in Quebec by 1990.

Demographic factors will result in a gradual aging of the labour force and a subsequent reduced flexibility of the labour force. Although the growth rate of the labour force will be slower than in previous decades, there will be an accelerated growth of the women's labour force. These demographic changes will affect the make-up of the labour force with respect to both volume and quality, with effects on the job structure.

Increased international competition, attributable in part to the industrial expansion of third world countries relying on a high proportion of cheap labour, will enable these countries to offer consumer products at lower prices that those produced in the industrialized countries, where the cost of labour is quite high. Some production will have to be abandoned and the available resources transferred to more suitable sectors of activity, where Quebec could gain from its comparative advantages. The fundamental problem consists in determining the rate and conditions under which these changes should be made.

The Quebec market, in addition to adapting to new conditions of international competition, must adapt to technological changes. Microelectronics will alter the working world considerably. The faster the rate of change, the more negative the effects on employment. A number of categories of jobs will be seriously affected, particularly certain types of tertiary sector jobs, for example, jobs related to data processing, jobs requiring few skills in the manufacturing and services sectors, specialized product assembly jobs, and specialized manual jobs in manufacturing. The tertiary sector is expanding; it is estimated that in 1990 the services sector will account for nearly one-third of jobs in Quebec. The "tertiarization" of employment as well as new technology will affect not only the level of employment, but the requirements in terms of needed skills, specialized training, intellectual ability and sense of responsibility as well.

These three structural factors will present a number of problems of adaptation. Owing to the aging of the labour force, professional and geographic mobility will be reduced and the labour force will find it harder to adapt than would a younger labour force. Changes in the conditions of international competition and technological changes will make it harder for certain groups that already are having difficulty entering the work force, to adapt.

There are many barriers to employment for specific groups such as youth, women, older workers and the disabled. The job market has a tendency to keep growing; there is no single job market, but several.

- Young people under age 25 will continue to be greatly disadvantaged on the job market; it is expected that unemployment rates for the young will increase to about 20% between now and 1990. Very high unemployment rates are anticipated for the other target groups.

- A number of women will continue to experience difficulty in entering the job market, owing to their being concentrated in the tertiary sector, a sector seriously affected by new technology. Furthermore, women are experiencing difficulty owing to a low level of training in general and to their loss of skills following a more-or-less prolonged absence from the job market.

- Older workers will continue to have great difficulty in obtaining employment, owing to their reduced suitability for retraining and mobility. In addition to prejudices, the inflexibility of pension plans causes additional problems for this category of worker.

- The disabled face special difficulties in addition to those faced by the other target groups. Physical integration into the work place must be increasingly promoted and more personalized services must be developed.

The obstacles confronted by women, youth, older workers, and the disabled, are of a structural nature and call for widescale action on the part of government. As sufficient jobs have not been created and this situation will continue, employers have a tendency to select workers who will have the least difficulty adapting to the work. There are a number of institutional barriers for these categories of the population, be they barriers to entry into the labour force or provisions for job security. The inequality of opportunity on the job market is one of the main challenges that must be met by the various socio-economic agents. This inequality may be the result of a lack of information or basic training, or to discrimination based on prejudices.

As unemployment is a highly complex problem, we cannot rely solely on improving economic performance to resolve it. We must attack the structural problems if we are to affect unemployment. Wide-scale action is needed to help the labour force adapt to the new requirements of the job market. The government must implement a series of qualifying measures including a complete redefinition of the continuing education policy, to enable workers to renew their skills and employers to count on a better-trained labour force.

In addition to measures related to training, owing to the aging of the labour force, provision must be made for making pension plans more flexible to promote progressive retirement, without too severely penalizing these older workers.

More flexible job scheduling is increasingly becoming necessary. Restructuring will allow for a better balance between work time and leisure time. Part-time employment and more flexible hours are measures that would enable workers to reconcile the demands of family life and paid employment more effectively.

Programs aimed at equalizing employment opportunities should be set up and developed to promote the integration of groups that face specific obstacles with regard to employment. The struggle to eliminate prejudices against these categories of workers is another dimension of government action that is turning more and more to specialized responses of target groups to meet specific needs more adequately and take concrete steps towards implementing a policy of full employment.

1.1 The questions

The question period allowed for discussion of the ministry's programs, particularly the SEMO (services externes de la main-d'oeuvre) that the ministry is intending to set up and develop.

This program subsidizes agencies that specialize in the target groups. One speaker pointed out that there are too few SEMOs and that funding is not ensured from one year to the next. According to the deputy minister, the experiment has been tried and tested and should be applied more broadly. Institutionalization of the program should be avoided to prevent the administrative ponderousness of a service network. What is sought, then, are the most flexible forms possible.

Anne Usher, a member of the Board of Governors of CCSD, criticized one particularly unpleasant section of the Social Aid Act that describes the behaviour acceptable for women heads of households receiving social welfare. This section is discriminatory and may even be harmful to women in their search for employment and independence.

For another speaker, as the problem of unemployment is essentially a political one, the solution can only come from a coalition of popular groups, trade unions, the unemployed and those on social welfare themselves who, in joining together, could exert the pressure necessary to bring about changes in attitude. A political choice by society will have to be made in favour of full employment.

The deputy minister emphasized that the choice of a policy of full employment represents a fundamental choice of society that cannot be imposed from above; it is through greater cooperation on the part of the various social and economic agents that this policy can be implemented.

Mr. Robert Tremblay, President of the Fédération Québécoise Anti-Pauvreté and a member of the Board of Governors of CCSD, in thanking Mr. Sarault, reflected the feelings of the majority of participants when he pointed out that the solutions must be global in nature. What is needed is not more job creation programs, but an overall policy of full employment.

2. Women heads of households receiving social welfare

It is estimated there are about 85,000 women heads of households receiving social welfare in Quebec; of this number, 33,000 are considered employable. Mrs.Chantal Lavigne described the personal and structural problems and obstacles that these women face, in light of observations and experience acquired through the 1982 social recovery program. This pilot project, which was subsidized for one year by the Quebec Planning and Development Bureau, was to help a limited group of these women reenter the job market.

The problems of this category of women may be understood only within the general context of the situation of all women on the job market. Women belong to a minority whose production has never been recognized in the economy, and therefore never capitalized on. The widespread exploitation of the women's work force, and the inequalities it generated, are attributable to functions devoted to family support. Until now, resort to paid work by women obeyed only random military or economic imperatives. The cyclical use of women as economic agents explains the nearwidespread poverty of women who are reaching retirement, whether they have devoted their life to their children and family or have held low-paying, poorly-regarded jobs.

All minority groups, whether women, the disabled, youth or older unemployed workers, face a lack of recognition of their right to work. Beyond individual explanations, the structural reasons that derive from the organization of the job market and social measures must be explained in order to understand why these groups are excluded.

The obstacles met by women on social welfare are clearly illustrated in a case study:

> Louise is 30 years old, has three children, and has been divorced since the age of 22. Louise lived in a foster home from the time she was a child. She married at age 17 to live her own life. In her eighth month of pregnancy, she found herself in the emergency ward of a hospital, a battered woman; she was eighteen years old. At age 20, she worked as a waitress in a bar. She did this for four years, until she became pregnant for the second time. Louise went through this stage in her life with a second husband; he left two months after the birth of his son. She has been on social welfare for five years. She has had a third child, now two years old.
>
> For five years, she has been doing some moonlighting; she went into debt to buy a sewing machine and makes shirt collars at home. She lost her social welfare benefits for three months because the social worker decided one Friday morning that she was living stably with a new partner.
>
> Louise has eight years of schooling and four years of formal training on the job market. She does not want to work in a bar because of the hours and sexual harassment. She is thirty years old, with one adolescent, a five-year-old son and a two-year-old daughter. It is with this background, this experience and these family responsibilities that Louise is attempting to reenter the job market.

This is not an exceptional case; it is a typical situation that expresses effectively the special oppression of which these women are the victims.

Women must first reconcile the demands of family life and those of a job. The value of women is still too often related to their ability to harmonize all aspects of private life. The failure of their marriage often gives them the impression of having failed at the only function for which they are recognized by society. They therefore harbour this feeling of failure; they experience the onset of fears, of depression and the knot of dependency tightens.

In the family, these women were dependent on a man and responsible for the children. On social welfare, they become dependent on the State, controlled by social expectations and, furthermore, serve as a vehicle for the importance of independence; they are made to feel guilty by job recovery programs that attribute their inability to enter the job market to personal incompetence.

The Social Aid Act and its regulations contain a number of impediments to entry onto the job market.[1] General and occupational training is not financially supported; the costs inherent in training are not reimbursed, nor are those related to moving which is often necessary in order to pursue studies. Furthermore, those on social welfare are financially penalized when they return to the job market on a part-time basis. The allowable employment income is very low ($40 a month plus $5 per child). If their monthly income exceeds this amount, the social welfare benefit is automatically deducted from the amount earned without taking into account expenses inherent in a job or child-care costs. Social welfare imposes a number of administrative worries where part-time employment is concerned; this acts as a deterrent for returning to work. No consideration is given to the fact that the costs of returning to work are very high.

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[1] In October 1983, the Conseil d'Intervention pour l'Accès des Femmes au Travail (CIAFT) presented the list of these impediments in a brief for the amendment of the Social Aid Act to facilitate the return to work and/or education of women heads of households receiving social welfare.

Quite often women heads of households derive no monetary benefit from their paid employment, as they have access to jobs paying the minimum wage which may be less than the social welfare allowance for one family with children. To these difficulties are added the double workday for these women and the difficulty of access to child-care services. Despite major obstacles, these women still want, for the most part, to enter the job market to obtain social recognition and legitimate financial independence.

Mrs. Lavigne then asked: What does the search for work mean within the context of crisis where the very notion of work is undergoing profound change? What can the right to work mean if the work is alienating, mindless and meaningless? The modifications imposed by the very changes in the work structure risk increasing the number of jobless, of those excluded from the job market. Some futurologists predict that within the next few decades 30% of the population could be enough to produce all of the goods and services needed by all of society. What will happen to the others; to all those who will not have access to the job market? If this scenario is plausible and imminent, should the struggle not be for the right to social recognition and the right to share in the collective wealth? Why should work alone give entitlement to income? We all have a right to engage in productive activity that is socially recognized. Why limit pay to a job which, in the end, constitutes a very restrictive form of production?

"I think it is urgent that work as we know it be given free reign. A number of women work at home; people who engage voluntarily in community activities, in militancy, work. People who accompany children, the elderly, the disabled in life activities, work". Why should this work not be recognized? In conclusion, the speaker reaffirmed the right to work, but above all "the right to recognition and to inclusion in a visible, recognized form of social production".

In the workshop where the situation of women heads of households was examined, a number of recommendations were formulated:

- Women's groups: Much emphasis was placed on the action of women's groups to counter oppression. Women must form coalitions and mobilize themselves in order to pursue clearly defined objectives with a view to making women's access to the job market easier. Women's groups must form a common front that will enable them to specify common objectives and focus on the objects of struggle they must pursue. Women's groups should benefit from stable financial support. In the current situation, their survival is not assured because they are assisted on a temporary basis through various government programs; in addition, the groups are restricted by having to endlessly justify their employment objectives. As an example, the CIAFT, which formally defends women's access to the job market, is not assured of receiving its grant. It could properly serve as a common front for women's groups struggling for access to the job market.

- Changes in social welfare: The Conseil d'Intervention pour l'Accès des Femmes au Travail has proposed several amendments to the Act and regulations to promote women's access to the job market. The workshop participants supported these demands to have social welfare recognize the costs of family responsibilities and no longer be, as it is now, a further obstacle to access to the job market for women and for all those who receive social welfare benefits.

- Increase in the minimum wage: As most women who work are paid the minimum wage or close to it, the workshop recommended that the minimum wage be increased to $6 an hour. The minimum wage is currently $4 an hour and condemns women heads of households to poverty and, from a strictly financial standpoint, it is they who have the most to gain from being social welfare recipients.

- Programs of economic recovery: According to a number of government programs at both the federal and provincial level, volunteer activity falls under wage-earning. These programs risk creating job ghettos and exploit the most disadvantaged, be they the unemployed or those on social welfare. The workshop recommended that the Canadian Council on Social Development and other groups oppose such initiatives because they are nothing more than legalized moonlighting.

- Work sharing: Work sharing and a reduction in the number of hours of work could have some benefit, but work sharing must not lead to a redistribution of poverty. If this solution is applied widely, there must be an attempt to prevent it from becoming a program of impoverishment.

- Multi-employer unionization: As women are, for the most part, in the ghettos of employment, there must be an attempt to obtain the right to multi-employer unionization as a means for women to improve their working conditions.

- Affirmative action programs: In addition to developing training programs adapted to the needs of women, it is recommended that affirmative action programs and programs under the Services externes de Main-d'oeuvre be maintained and improved as there is presently a shortage of such programs.

- The industry of the person-sensitive economy: Right now developments in the tertiary sector are related to industry. One aspect of the tertiary sector that could be developed and which would be more socially beneficial is that of person-sensitive services, in life-support functions. For example, a whole network of family services, which are still very fragmented, could be collectivized and developed.

- A true policy of full employment: A policy of full employment would certainly be a good means of ensuring that all women and other classes of the unemployed or people on social welfare have real access to the job market. It is very important to avoid categorizing workers; they should all have a recognized right to work, that is to paid, socially recognized employment.

3. Youth and older workers

There are more than half-a-million young unemployed in Canada. In Quebec, 130,000 young people are out of work. Another category of workers excluded from the job market is older workers, those between the ages of 45 and 65 having a reduced work capacity. The panel presentation was made up of one representative from each of these groups. They were:

- Mr. Michel Croteau, a young unemployed geological technician, and coordinator of the Regroupement autonome des jeunes. This group is fighting so that those under the age of 30 who are employable will receive social welfare benefits equal to those of their elders. At present, they receive $152 a month as compared with the $418 a month those over age 30 receive.

- Mr. Bertrand Dion, aged 56, former head of a company and a recipient of social welfare benefits for two years now.

3.1 Youth

The $152 a month to which young people on social welfare are entitled is rationalized as being an incentive to find work. In the view of Mr. Croteau, it acts more as an incentive to crime, as young people have practically no other choice if they want to survive. A number of young people turn to prostitution or drug trafficking as an alternative to working; this is one of the concrete and unfortunate results of current policy.

Young people are joining together and mobilizing to obtain social welfare parity with their elders. The Regroupement autonome des jeunes is the group currently focussing on the struggle. The Regroupement held a number of demonstrations during the month of June 1984 to make the public aware of the plight of young people under age 20 who are on social welfare. The term "autonomy" in the group's title means that young people who are members disassociate themselves from various government recovery endeavours, particularly the Youth Summit of the summer of 1983.

All government youth employment strategies are based on the premise of the individual weaknessses of the young; they are not adequately trained, they lack experience, they are unstable. Consequently, youth assistance programs are aimed at academic training -- on-the-job training periods without a proper wage and counselling. Thus, the problem of youth unemployment is distinctive and there is no recognition of it as a social problem. Current programs do not create real permanent jobs for the young. There is a failure to recognize that there is massive unemployment among the young because there is no work for them. The Quebec government's program of economic stimulation consists of four elements that address the young:

- Youth volunteer activity
- On-the-job training periods
- Community work
- Return to school for drop-outs

It should be noted that young people who participate in these programs are underpaid. Young people are on the way to becoming an army of cheap labour. The program of stimulation does not create any direct youth employment, according to Mr. Croteau. "What we want are jobs, not community involvement."

The main demand of young people right now is with regard to social welfare because society must realize that young people are excluded from the job market not because they want to be, but because there is no work for them. Social welfare discrimination based on age is quite unacceptable; it reduces young people to second-class citizens and forms a reserve of manpower that agrees to work for low wages. This is the basis on which the exploitation of young people rests because in these conditions, they are ready to accept any job under any conditions.

Reduction of the legal workweek would be one element of a structural solution to the current crisis, but this reduction must come about without reducing income or it will be equivalent to impoverishing most workers.

Affirmative action programs to promote the entry of young people onto the job market must be introduced and generalized.

In conclusion, Mr. Croteau stressed that the struggle for full employment is one way of politicizing the debate about the right to work. The present political choices in favour of economic stimulation are intended to bring about a renewal of investment and economic growth -- to paraphrase the Quebec minister of Finance. The government is doing everything to promote the rising business class; there is no real stimulation of employment. Groups representing the unemployed and those on social welfare must step up their efforts for the right to work and for dignity. It is becoming important to build unity among labour organizations and popular organizations of the unemployed to fight for this cause.

3.2 Older workers

Workers having a reduced work capacity are finding it increasingly difficult to find work. The experience of Mr. Dion is typical. He worked for 17 years in various businesses in the food sector. He then bought an industrial bakery that he managed for four years. He had to liquidate his business because he could not meet the competition that resulted from the concentration of big businesses in this sector. He then held various jobs in the services sector - insurance salesman, advertising salesman. At age 44, he began to experience periods of unemployment. This lasted nine years. But gradually the periods of unemployment increased, and jobs were more and more difficult to find. This continued until he had exhausted his unemployment insurance, and found himself on welfare. This was two years ago; he does not see how, at age 56, he can reenter the job market. All of his efforts have been fruitless; he told of his experience as a taxi driver in Quebec City where he managed to earn $1.25 an hour by subleasing a taxicab. After three weeks, he gave it up; he felt exploited.

Mr. Dion is active in volunteer activities; he visits the elderly or the disabled. He deplores the fact that those on social welfare are encouraged to do volunteer work as an alternative to steady employment. People like himself have a lot of experience; they convince themselves they have too much experience. That is the reason employers use to justify refusing them work. He compares this with the situation of the young who are told they lack experience. The fundamental reason for refusing work to young people or older workers is that there are not enough jobs for those who want to work.

In conclusion, Mr. Dion also criticized the prejudices and mentality, that are becoming more and more widespread, that older workers are of no value to the job market. Older workers are not parasites; a good number of them are prepared to work, but feel totally discouraged. Like Mr. Dion, they see no way out.

3.3 The workshop's options and recommendations

- To bring together those excluded from the job market: Youth and older workers would benefit from joining together and working together; each group could benefit from the experience and dynamism of the other. It is recommended that a common front be formed of all those excluded from the job market. It is important that trade unions and popular groups rebuild the unity which has been eroded during the crisis, in order to gain recognition of the right to work. The creation of unions for the unemployed was suggested.

- Modification of the concept of work: Work is undergoing vast changes owing to new technology. It is increasingly evident that a large proportion of people will be unable to work in the traditional sense of the word. Social exclusion and isolation must be avoided. To do this, the traditional concept of work must be challenged and extended to encompass productive activities that are not now considered as work and that, consequently, do not give access to work.

- To demystify the technology trend: Technological change is constant; it is not negative in itself. What must first be determined are the interests it serves. Greater and more effective participation on the part of social groups in the policy choices made to introduce high technology must be assured. Management of the technology trend must respect the interests of the population in general.

- To democratize recreation: Owing to the implications of technological change and fewer work hours, better access to recreation must be assured.

- A more progressive tax system: A suggestion that the highest wages be frozen aroused much debate in the workshop. Although rejected as being too extreme and unrealistic, it was replaced by another suggestion concerning the tax system. The workshop recommended an improvement of the income tax system. A more progressive tax system would make it possible to recover a greater proportion of the highest wages.

- Control of investments and profits: The State is expected to exercise stricter control of investments and profits. The profits of large financial concerns and multi-nationals have remained quite high, even during a period of crisis. Several participants expressed the view that these profits were not reinvested in Quebec and did not contribute sufficiently to job creation. Greater vigilance is expected on the part of governments on this very important issue.

- A system of adequate and guaranteed universal income: The problem in our society is not primarily the production of wealth, but rather its distribution or redistribution. The State must ensure fairer distribution, a real sharing of wealth. The workshop recommended the introduction of a universal system of adequate and guaranteed income. In addition to having very significant social benefits, this measure would make it possible to reduce considerably the administrative costs currently generated by the many income security programs.

- The social insertion of the young: The jobless youth who receive social welfare or unemployment insurance benefits are demanding jobs as the principal means of insertion into society. They want to be recognized socially and to feel they are making a valid contribution to the improvement of their environment.

4. The disabled

After having described the responsibilities of the Office des personnes handicapées du Québec and the Act to secure the handicapped in the exercise of their rights and specific measures found in the Act to ensure that the disabled are integrated into the job market, Mr. Jan Zawilsky[2] described the difficulties faced by the disabled and the objectives set to ensure their integration into the job market.

- Who qualifies as a disabled person? A fair perception of the disabled is the first element towards the solid basis of an employment policy for the disabled. A disabled person is someone with a physical or mental deficiency which is objective and measurable. This deficiency entails limitations or functional disabilities, such as locomotion or communication. Owing to this disability, the person encounters obstacles to their integration. According to this perception, the dilemma of the disabled is not strictly related to the disability of the individual, but is an outcome of the interaction of the disabled with the rest of society. The handicap derives from the fact that society has not adapted to the needs and characteristics of the disabled.

4.1 The specific problems of the disabled

The disabled encounter two main categories of problems with respect to their integration into the job market.

First, there are obstacles which, although not directly related to the working world, are nevertheless real for the disabled. Among these obstacles are:

- The lack of access and referral to habilitation and rehabilitation services. Many disabled persons do not receive the rehabilitation services their condition requires; as they are unable to develop their potential to the full, they are all the more disadvantaged in relation to other workers.

- Too many disabled persons have not received basic educational services, including occupational training. In fact, until 1975 many disabled persons were excluded from the educational system because of the lack of a clear policy of the department of Education.

- Income security plans do not promote the integration or return to work of the disabled. For example, a disabled person who works for the minimum wage loses his/her special social welfare allowances, with the result it is more to the advantage of the disabled person to go on welfare than to work for the minimum wage. This is not a measure which provides a work incentive.

Second, there are obstacles that more directly concern problems related to the job market:

- The situation of the disabled. About 80% of disabled persons are not active on the job market. Owing to the prejudices they come up against, many are discouraged and do not attempt to find employment, even if they are competent and employable. Even when a disabled person finds a job, it often does not correspond to their real abilities. Because of the difficulties in finding employment, most disabled persons lack job experience.

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[2] Note: Mr. Zawilsky's talk is based on an OPHQ publication entitled: A part... égale, l'intégration sociale des personnes handicapées: un défi pour tous. Gouvernement du Quebec, 1984. This document is also available on cassette and in Braille.

- The situation with respect to manpower resources. Many improvements are needed in order to adapt manpower services to the specific needs of the disabled. Depending on the nature of the deficiency, the disabled receive different treatment. For example, people who become disabled following an occupational injury receive the services of the Occupational Health and Safety Commission, whereas other disabled persons have no access to these services. Manpower services do not refer enough disabled persons to complementary resources, such as rehabilitation services or occupational training services.

- The situation with respect to the workplace must be regulated or adapted. With respect to the regular job market, the disabled meet with many prejudices and myths that prevent them from obtaining regular employment. Often the workplace is inaccessible to the disabled, owing to physical, psychological or cultural barriers. Employers do not make adequate use of technology to adapt work stations to the functional needs of the disabled. Collective agreements do not make adequate provision for reintegrating employees who have been disabled on the job.

Because of the very high levels of unemployment, a number of disabled persons employable in adapted work places or on the regular market continue to wait in rehabilitation centres. The same is true of adapted Job Centres where a number of disabled persons cannot enter the regular work force because there are no jobs available to them.

4.2 The solutions and recommendation of the workshop

Three types of solutions were proposed:

- The exercise of the right to work: Every disabled person has the right of access to lucrative activities, without discrimination or privilege. A disabled person must benefit equally from employment opportunities; only their skills, qualifications and aptitudes must be considered. The maintenance or reintegration into the workplace of people who have been injured in the course of their work should make the exercise of the right to work concrete. Disabled persons who do not have the skills needed for entry onto the regular job market must be ensured of access to an adapted workplace. The disabled expect to benefit from the same support as is available to entrepreneurs, if they develop and manage a private concern.

- Adaptation of manpower resources to the needs of the disabled: Improvement of manpower services is aimed at providing greater access and a more relevant response to the special needs of the disabled. The disabled want to have access to regular manpower services as far as possible. The only valid criteria for referring a disabled person to special services are a lack of professional qualification or a limited degree of autonomy in relation to the procedure normally followed to enter the job market or stay employed.

Specialized manpower services for the disabled include, notably:

o assessment of work capabilities
o vocational guidance
o referral to rehabilitation or occupational training resources
o adapted and regular placement services
o placement follow-up
o technical support and consultation services for employers in adapting work stations.

- The opening up of the workplace to the disabled: An essential condition for the integration of the disabled onto the job market remains job availability. It is, however, important to change the attitudes of employers and trade unions concerning the real opportunities open to the disabled for job integration. Objective information is a very effective means of combatting the prejudices and myths that exist in this regard.

Collective agreements must not contain discriminatory elements that prevent the disabled from gaining access to positions for which they are qualified. Hiring, selection and career advancement policies must be revised to eliminate the obstacles the disabled still face. The requirements for obtaining a position, such as physical or health capacities and educational level, must not constitute a source of discrimination for persons with functional deficiencies or limitations.

It is of prime importance that jobs held by the disabled be adapted to their needs and their functional characteristics. This is an essential condition that ensures compatibility of job requirements with the real capacities and objectives of the disabled. This workshop concluded with a highly relevant observation, to the effect that the disabled not only encounter the same difficulties as those in other target groups, but additional obstacles that any employment policy must acknowledge. Otherwise, they will continue to be largely excluded from the job market.

5. A job for everyone?

This symposium ended with the observation that women heads of households receiving social welfare, youth, older workers, and the disabled encounter special difficulties of access to the job market. The specific nature of these difficulties must not cloud exclusion from the job market, a common element to all these groups. The prospects as to the chances of these groups obtaining jobs are very grim. The expectation of a high level of unemployment for the remainder of the decade is unchanged within the ideological, political and economic context. This situation could change; the experience of a number of European countries that have adopted a policy of full employment gives ample evidence of this.

The participants in the symposium went away with the conviction that only a major change in the direction of current policies could alter the situation.

It is through basic organization and the mobilization of groups that are particularly affected by the issue that such change will be initiated. It is possible to adopt a policy of full employment in Quebec and develop the mechanism of consultation that will make it a success. The participants in the symposium A Job for Everyone? not only want their society to follow the technological trend; they want to play an active role in building their future and the future of their children.

CHAPTER III

POVERTY: THE FORGOTTEN REALITY OF THE 1980s[1]

After nearly three decades of economic growth and stability, poverty is again a major problem in Canada. This is the main conclusion of an eighteen-month volunteer poverty task force study released by the Canadian Council on Social Development in June 1984.[2]

Among the Task Force findings:

- 2.3 million or 26 per cent of Canadian households live below the poverty line;
- poor households are, on average, $4,000 under the poverty line;
- over 100,000 families subsist on incomes of $5,000 or less;
- social assistance ranges in 1983 were 50% below the poverty line;
- the **total** cost of a representative basket of goods and services is nearly the same throughout Canada, confirming the validity of a national poverty line;
- "feminization" has become poverty's outstanding feature: 43% of lone-parent mothers live in poverty; 62% of unattached women over the age of 65 are likely to be poor.

Once confined primarily to particular regions, the economic recession of the past five years and the federal and provincial governments' methods of coping with it, have led to a severe exacerbation of poverty among the populations of wealthy provinces as well. The Ontario Workshop held May 25, 1984 provided ample evidence to that effect.

Forty-five participants -- from unions of unemployed workers, labour unions, social service agencies, universities and poverty groups -- gathered to discuss the ways in which the economic recession and tight-fisted government policies have contributed to the impoverishment of increasing numbers of Canadians. The Workshop focussed on the relationship between poverty and single parents, the unemployed, and ex-psychiatric patients who have been deinstitutionalized.

The Workshop's morning session featured a panel presentation outlining the situations of the target groups. In the afternoon, participants broke into three workshops, each led by one of the panelists. A closing plenary highlighted the questions and ideas raised in the workshops. The panelists were: Carol Richardson, formerly Coordinator of the Ottawa Committee for Low-Income Support Services (currently Coordinator of the Canadian Health Coalition/Ottawa); Mary Stern, Coordinator of Parkdale Activity Recreation Centre/Toronto; and Bonnie

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[1] This report was prepared by Lesley Silver, a freelance researcher on labour and social policy issues.

[2] Canadian Council on Social Development, Not Enough: The Meaning and Measurement of Poverty in Canada, CCSD National Task Force on the Definition and Measurement of Poverty in Canada, Ottawa, June 1984.

Armstrong, President of the Brantford Labour Council and Organizer for the Ontario Union of Unemployed/Brantford. Allan Moscovitch chaired the Workshop.

Ontario has suffered huge industrial lay-offs and government cutbacks. The result has been to intensify the poverty of the traditionally poor -- single parent families, the elderly, the mentally and physically handicapped -- and a steady impoverishment of large numbers of working people and their families.

In a rich country like Canada, poverty has been described as a "relative" condition, i.e. poor people are poor "relative" to the general affluence of the majority of our people. The social welfare "safety net" built over the past four decades prevents absolute deprivation. Relative or absolute, however, poverty wastes individual lives and the productive resources of a society.

For the individual person or family, being poor means living on the nearly invisible fringe of society. Shabby housing, poor food and cast-off clothing consume most of their incomes, leaving little for recreation, socializing or holidays, and nothing for contingencies. It means social isolation, poor health, and shorter lives than more affluent people.[3]

It means personal psychological impoverishment, in the form of low self-esteem, feelings of failure, resignation, apathy, despair, cynicism.

The difficulties of just surviving from one month to the next also inhibits people's ability to plan ahead or to change their situation. Life reduced to mere survival, with little chance of improvement, creates enormous burdens of stress on people.

For a society, poverty creates a large group of marginalized people who have little or no stake in their community. It means reductions in the availability of basic services (eg. education, health care) which further diminishes our collective human resources.

Poverty increases suspicions and intolerance among us, contributing to traditional hostilities such as racism, age and gender divisions, class and ethnic prejudices. By tolerating poverty in our midst, and the divisiveness, distrust and cynicism it exacerbates, we also contribute to an increase in the level of violence in society.

Long-term mass impoverishment, such as is growing in Canada, can never be easily "made up" later. It is a cumulative loss and will plague us for generations. In effect, as a society, we are regressing, losing high levels of health, education and skills among our people, and permitting the deterioration of social welfare systems that we have developed over the past 40 years.

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[3] Poorest Canadians Live Shortest Lives. Ottawa Citizen. April 27, 1984.

1. Single parents and poverty

Single parenthood is growing in the 1980s. In 1976 there were 202,450 single parent families in Ontario, 9.6% of the total number of families. By 1981, single parent families comprised 11% of all families in the province.[4]

The growth of single parent families is due to an increase in the separation and divorce rate, and to the larger numbers of unwed mothers who keep their children rather than give them up for adoption. The literature on the subject anticipates a continued growth in single parent families in the coming decades.

While it is commonplace to decry this phenomenon as evidence of the "demise of the family", single parent families (and the "reconstituted" families of divorced people who remarry) are not a negation of family. Rather, they are beginning to be recognized as new family forms. Further, it represents a positive step forward that society no longer forces unhappily married people to remain so forever, or separates women from their children as punishment for having sex outside of marriage.

However, while some of our social values may be changing, many of our institutions and assumptions remain rooted in the two-parent family model. In this model, the male parent is the primary breadwinner, and the female parent is responsible for the domestic work of child-care and homemaking. Where the female parent also works outside the home, her earnings are considered to be merely supplementary to the primary family income.

Our continued assumption of the 2-parent family model as the norm (and the ideal) creates problems for single parent families, particularly those headed by women.

Single parents are largely women. In 1981, 82.8% (or 207,210) of single parent families in Ontario were female-headed.[5] The assumption that men are the primary breadwinners and women secondary breadwinners places female-headed single parent families at a sharp disadvantage.

Panelist Carol Richardson described the options for single mothers, and the problems they encounter. The first option for female single parents is continued dependence on the income of their former spouses in the form of support payments. However, Ontario has a poor record of enforcement of court maintenance orders for child support. The high unemployment of recent years complicates the situation further: many men are unable to provide adequate levels of support payments.

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[4] Statistics Canada. Canada's Lone-Parent Families. Catalogue 99-933. (Data from 1981 Census). May 1984. Table 2.

[5] Ibid, Table 2.

Most single mothers, therefore, face the task of becoming the primary breadwinner for their family. If they have few marketable skills, they must upgrade their education before entering the job market.

The government cut-backs of recent years have eroded training/educational opportunities and funding through bursaries, loans, etc. The Ontario Regional Workshop pointed out that single mothers find it very difficult to get education loans because they are considered "bad risks". The money available through bursaries, loans, and training allowances is seldom sufficient to cover **all** the costs of education, i.e. child-care, transportation, study materials, etc.

Continuing high unemployment means that there are few jobs available. However, being employed does not ensure adequate incomes for single mothers and their children. While 56% of Ontario women (or 1,883,000) were in the labour force in 1981, over 60% of them were concentrated in the clerical, sales and service sectors.[6] Ghettoized in low-paying jobs with little chance of advancement, women earn an average of only 60% of men's earnings.[7]

In addition to discrimination within the job market and the education system, single mothers face problems obtaining adequate care for their children. In Ontario, in 1980, there were only 40,545 day care spaces, 44% of which were privately-owned facilities and therefore unavailable to lower-income families.[8] Because there are so few facilities, single parents frequently report having to travel long distances to a centre. Shift workers are almost entirely dependent on private baby-sitting arrangements because most day care centres operate on a nine-to-five workday.

In spite of the inadequacy of day care in Ontario, the provincial government underspent its day care services budget by $9.87 million, in 1977 to 1979, and imposed a 5 per cent budget ceiling on day care spending.[9]

Faced with these difficulties, many single mothers find themselves on social assistance. In Ontario, in 1983, nearly 40% (48,342) of the Family Benefits Assistance caseload is composed of single parent mothers.[10] In 1982, a mother with two children received $8,636 on social assistance -- or 54.5% of Statistics Canada's poverty line.[11] Ontario's social assistance rates are among the lowest in the country.

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[6] Women's Bureau. Women in the Labour Force. Ontario Ministry of Labour. Fact Sheets 2 and 4, 1982.

[7] Ibid. Fact Sheet 1.

[8] Health and Welfare. Status of Day Care in Canada. Ottawa, 1980.

[9] Canadian Union of Public Employees. Facts and Figures on Caring for Kids. Ottawa: Research Department, 1979. P. 5-6.

[10] Ontario Public Service Employees Union. People First. Toronto, 1983. P.5.

"Single mothers," Richardson says, "are forced to cope with heavy and constant levels of stress: not enough money, inadequate housing and day care, insufficient training spaces and funding, few jobs available, and few support services in the community to help them cope. The constant worries are exhausting and debilitating." The end result of these structural problems in a male-oriented work world is that female-headed single parent families tend to be poorer than their male counterpart. The median income for female-headed families was half that of male-headed families. Nearly 30% of female-headed families had incomes under $12,000 per year, compared to 5.3% of male-headed families.[12] Of the 207,210 female-headed families in Ontario in 1981, 67,906 (or 32.8%) of them were on welfare.[13] The differences are so great that they cannot be explained by the fact that a majority of male-headed families have two earners.

Their poverty is exacerbated by the current high cost of housing in Ontario. In 1981, Statistics Canada found that while 21% of husband-wife families and 41% of male-headed single parent families had housing affordability problems (i.e. 30% or more of income spent on shelter), over 70% of female single parents had an affordability problem.[14]

Single parent mothers are largely dependent on the private market for housing in Ontario. In 1981, only 22,739 single mothers were living in National Housing Act social housing.[15] Only 38.7% of female household heads are homeowners, compared to 71.9% of male household heads.[16] With respect to rented housing, 37.6% of female household heads and 17.2% of male heads paid more than 30% of their income in rent.[17]

In conclusion, single parent families have become more prevalent in Ontario, reflecting changes in our social culture. Largely headed by women, single parent families are thus victimized by continued systemic discrimination in the job market, in government policies and inadequate services. So long as this discrimination persists, single mothers and their children will continue to live in, or on the brink of, poverty.

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[11] Social Planning Council of Metropolitan Toronto. The Underfunding of Social Assistance Programs in Ontario. Social Infopac. Vol. 1, No.3. July 1982. Table 4.

[12] Statistics Canada. Income Distributions by Size in Canada. 1976: Table 25. 1982: Table 7.

[13] Ministry of Community and Social Services. Quarterly Statistical Bulletin. October-December 1981.

[14] Statistics Canada. Canada's Young Family Home-Owners. Catalogue 99-939. February 1984. Chart 6.

[15] McClain, J. and Doyle, C. Women and Housing. Ottawa: Canadian Council on Social Development, 1984. P. 26.

[16] Ibid, p. 18.

[17] Ibid, p.22.

Currently, the Ontario government is integrating its two-tiered welfare delivery system by transferring sole-support mothers to the municipalities which have been responsible for short-term general welfare. Single mothers and many social service professionals have questioned whether the intent is to effectively help women to improve their situations, or to simply get them off welfare regardless of their needs.

Richardson recommended moving towards an adequate guaranteed annual income to replace our present piecemeal social assistance programs. She also pointed out the need for more day care spaces and social housing. In the meantime, we need to demand better co-ordination of existing programs and higher welfare rates.

2. Deinstitutionalization and poverty

Between 1963 and 1982, Ontario reduced the number of provincial psychiatric hospital beds from 16,000 to 4,500 as part of its deinstitutionalization program.[18]

Begun between 1955 and 1960, deinstitutionalization was intended to return institutionalized people to the community in the hope that a more normal living environment would increase their chances of rebuilding their life. Innovations in drugs during this period helped to make deinstitutionalization feasible.

The idea of deinstitutionalization has considerable support among health care and social workers. Institutional life is necessarily artificial. Governed by the routines of the institution, patients need make few decisions for themselves. Cut off from contact with the mainstream world -- family, friends, work -- they can easily lose what coping skills they may once have had.

Deinstitutionalization was one step in a program of "normalization": i.e., returning people to a semblance of normal life in the community. The other necessary component of normalization was to establish community-based medical and social services so as to enable the ex-patients to become functional within society again.

As Mary Stern pointed out, the goals of normalization-deinstitutionalization are valid, but their success depended upon the existence of an infrastructure of services and facilities within the community. Government policy, concerned with lowering the high costs of long-term institutionalization paid scant attention to developing community-based services.

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[18] Marshall, J. Madness. Toronto: Ontario Public Services Employees Union, 1982. P. 8.

The failure of normalization in Ontario lies in the second step of the process: establishment of adequate community-based aftercase services. Between 1977 and 1982, spending on psychiatric services decreased from 5.6% of the government's health budget to 4.4%; spending on adult community mental health facilities decreased from .41% to .29%; and on homes for special care from 1.6% to 1.3%.[19]

The primary post-institutional needs of ex-psychiatric patients, in addition to out-patient psychiatric facilities, are adequate income and housing. Many have neither.

A 1981 study of 747 ex-patients in Toronto showed that six months after discharge only one-third had full-time jobs. Two years after discharge, only 19% were in full-time employment, and more than one-third were dependent on social assistance. Nearly half of the ex-patients who had financial responsibilities reported financial problems.[20] A 1979 study of contract nursing homes (facilities which provide 24-hour supervision and monitoring of medication) found that 63.8% of the residents' incomes were from social assistance.[21]

Monthly social assistance rates in Ontario for single unemployable people are $316 on Family Benefits Assistance, and $364 for those who qualify as disabled. A shelter subsidy of $50 is available only for non-room and board accommodation. Many ex-patients live in room and board situations, and are thus denied even this small extra amount.

There is little housing geared to the needs and resources of ex-psychiatric patients, and no provisions for housing nearby out-patient facilities. An Ontario Welfare Council study in 1981 found that only 200 government-funded community-based residential care beds had been created in Toronto over the previous decade.[22] Another study noted that between 1980 and 1981 in Toronto, 202 community beds had been lost.[23] The Clarke Institute of Psychiatry's follow-up study of 747 ex-patients noted that six months after discharge, 35% lived in single rooms in boarding houses or hostels; 20% still lived in inadequate housing conditions after two years.[24]

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[19] Ibid, p. 191-192.

[20] Wasylenki, D. et al. Psychiatric Aftercare in a Metropolitan Setting. Social and Community Psychiatry Section, Clarke Institute of Psychiatry. Toronto, 1981. P. ii.

[21] Marshall, J. Madness. P. 193-194.

[22] Ibid, p. 104.

[23] Ibid, p. 195.

[24] Wasylenki, D. et al. Psychiatric Aftercare in a Metropolitan Setting. P. 11-12.

Nearly one thousand ex-patients are in the Parkdale area of Toronto, up to one-third of whom live in hostels and boarding houses to be near Queen Street Mental Health Centre. As reported in the Ontario Workshop, there have been hostilities between the local community and the ex-patients, a result of the government's failure to explain its normalization policy to the general public. Such hostility only reinforces the isolation of ex-patients, and impedes their hopes for a normal life in the community.

Isolation, caused by poverty. misunderstanding and lack of community-based social and recreational programs, is prevalent among ex-psychiatric patients. Another Clarke Institute study found that 2 years after discharge, 23% of the patients studied had no one they felt they could count on; 37% had less than 2 visits per month from non-family members; and 73% had no involvement in any organizations.[25]

Deinstitutionalization in Ontario has amounted to "dumping" people on ill-prepared communities. The result has been an enormous increase in readmissions to psychiatric hospital facilities. About two-thirds of all admissions are readmissions. In most of the province, the recidivism rates are 30-40% at 6 months post-discharge, 35-50% after one year, and 65-75% after 3-5 years.[26]

The lack of adequate income supports and community after care facilities has resulted in a kind of ghettoization of ex-psychiatric patients. Without adequate medical and social service staff and facilities in the communities, long-term treatment plans cannot be developed. The resulting recidivism has meant that ex-patients tend to "cluster" around the few out-patient facilities that do exist, dependent on these for drug maintenance and treatment.

As Stern indicated, Ontario has a "two-class system" of mental health care: private sanatoriums and nursing homes for the wealthy and general hospitals for everyone else. Few families, in the absence of adequate support services, can undertake the full-time care and support of a mentally ill member.

Instead of being isolated from the community in an institution, ex-patients are now isolated within the communities adjacent to out-patient centres. These invisible ghettos on the fringe of society are scarcely an improvement on the artificial life of mental hospitals.

Mental illness has been growing in the past 20 years in Ontario. In 1961, .9% of the population was admitted to mental health care; in

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[25] Goering, P. et al. From Hospital to Community: 6 Months and 2 Years Outcome for 505 Patients. Clarke Institute of Psychiatry. Toronto, 1981. P. 12.

[26] Wasylenki, D. and Goering, P. A Framework for Continuity of Care. Perspectives in Psychiatry. Vol. 3, No. 6. April 1984.

1980, 3% of the population received care.[27] A growing number of people are entering the system and, without adequate after care facilities, the number of permanently marginalized people living in poverty will continue to increase.

Our attitudes towards mentally ill people are changing: no longer do we confine them to "madhouses". However, our institutions and social supports are not yet keeping pace with our changing consciousness of people's rights and needs. To be a success, deinstitutionalization requires a commitment of our resources to provide the community after care services that can lift ex-patients out of social and financial poverty and truly return them to the community.

In concluding, Mary Stern recommended that a comprehensive housing policy must be developed for disabled people. Other support services in the community and better income provisions are also needed to prevent deinstitutionalized people from becoming permanently marginalized dependents.

3. Unemployment and poverty

Canada is now into its sixth year of high unemployment. Between 1978-1983, the official unemployment rate fluctuated between seven and nine per cent and rose, in 1983, to nearly 13%. Currently, the official rate hovers at 11.5%. A more complete picture of actual joblessness must take into account the hidden unemployed and the under-employed. By adding in these groups, the Social Planning Council of Metropolitan Toronto has shown that, whereas the official annual unemployment rate for 1983 was 11.9%, the real rate was 16.1%. The recession of the last five years has resulted in the gradual impoverishment of thousands of working people in Ontario. In 1982, the official unemployment rate was 9.8%; 10.4% in 1983; and currently at 9.4%. These figures mean that over 400,000 people in each year have been unemployed in the province.[28]

If we add to this the hidden unemployment (discouraged job-seekers and underemployed people), Ontario's real unemployment rate in 1983 was 13.3%, or 615,000 people out of work.[29] In cities like Windsor and Sudbury, unemployment has been more than double the national rate.

Women, and young people between the ages of 15 and 24, have generally suffered higher unemployment than men. Between 1978 and 1982, women's unemployment rate ran one percentage point higher; in 1983 and 1984 unemployment among men has run slightly ahead. Young people have suffered unemployment rates 6-8 percentage points higher than the official rate for the past seven years.[30] Heads of families have formed a significant proportion of unemployed workers in Ontario. In 1981, 253,000 of those unemployed workers were family heads, rising to 421,000 in 1983, and currently 391,000 in 1984.[31]

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[27] Marshall, J. Madness. P. 40.

[28] Statistics Canada. The Labour Force. January 1982 to March 1984.

[29] Social Planning Council of Metropolitan Toronto. Hidden Unemployment. Social Infopac. Vol. 3, No. 1. February 1984.

The unemployment of the 1980s is not the short-term, "seasonal" joblessness of a healthy economy. It is long-term unemployment as a result of structural changes in the economy: the introduction of labour-saving new technology, and the shift of industry from industrialized nations to "third world" countries with lower labour costs. In Canada, in 1981, 147,000 people had been unemployed for more than a year. By 1983, 330,000 people had been jobless for longer than one year.[32]

Comparable figures for Ontario are not available. However, data from Unemployment Insurance Commission statistics show a similar trend for the province. The number of UI beneficiaries in Ontario rose from 221,000 in March 1980 to 436,000 in March 1983, dropping to 344,000 in 1984. The average duration on Unemployment Insurance has grown steadily: from 15.8 weeks in March 1980 to 23.7 weeks in March 1984, an increase of 50%.

For many of the people existing on Unemployment Insurance for extended periods, the level of income they are receiving is below Statistics Canada's poverty line. Unemployment Insurance pays only 60% of earnings up to a maximum insurable earnings ceiling of $350 per week. Since many of the beneficiaries are women and young people whose earnings would have been below the maximum insurable ceiling, the average payouts are very low. In 1981 the average weekly benefit was $131.50, rising to $160.80 in 1984.

Accompanying long-term unemployment in recent years has been the rise of unemployment insurance "exhaustees". In Ontario, exhaustees have risen from 5,285 in March 1980 to 16,358 in March 1983, dropping to 14,358 in March 1984. With unemployment remaining high, and federal and provincial government job-creation schemes lagging well behind the need, many exhaustees have been forced to go on social assistance.

As employable people, the exhaustees are eligible for the lower rates of General Welfare Assistance in Ontario. Throughout 1980 and 1981, welfare departments were warning of the increase in their caseloads due to unemployment. By December 1982, the GWA employable caseload was 77.6% higher than the previous year.[33] The employable male family head caseload has risen by 60.1%, while the female family head caseload went up by 21%. There were 86.5% more single men and 64.9% more single women on welfare at the end of 1982 than one year before. In 1982 in Ontario, a single person received $288 per month on social assistance; a family of four (two adults and two children) received $615 per month.

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[30] Statistics Canada. The Labour Force. January 1978 to March 1984.

[31] Statistics Canada. Labour Force Survey. Catalogue 71-001. 1981-1984.

[32] Statistics Canada. The Labour Force.

[33] Ministry of Community and Social Services. Quarterly Statistical Bulletin. October-December 1981 and 1982.

Bonnie Armstrong described the toll on families and individuals. For families and young people the cost of such unemployment is impoverishment, both in financial and psychological terms. Thousands of Ontario families are watching their savings, their home, and their plans for a comfortable retirement slip away. In 1984, 32,000 of Ontario's unemployed are over 55 years old; many of these people will not find jobs that replace the salary levels they knew before the recession.

Social service agencies and unions have noted an alarming increase in drug and alcohol abuse, depression, wife and child battering, and marriage breakdown since 1980. Studies in the U.S. have shown a strong correlation between rising unemployment and an increase in suicides, crimes, mental hospital admissions, and such health problems as heart disease and cirrhosis of the liver.

Many men, accustomed to deriving their self-esteem from their ability as breadwinners, feel a strong sense of personal failure and shame. Their wives may well carry a triple burden: as homemaker, breadwinner, and emotional bulwark of the family. Young people who are unable to find steady employment for long periods of time can become bitter and alienated, divorced from any sense of belonging to the society in which they live.

The cost to society is considerable. In 1982 the Social Planning Council of Metropolitan Toronto estimated a $75.5 billion loss (or 22% of the Gross National Product) to Canada, in lost production, earnings and tax revenues, increased social assistance and unemployment insurance payouts, mental and health stress, and depreciation of human resources.[34] A more ominous cost, difficult to measure but severely hampering the vitality of a society, is the psychological alienation of a large segment of the population.

Government policies, at both the federal and provincial levels, have been focussed on inflation and deficits rather than full employment and job creation. Governments have been willing to accept high levels of unemployment as the "price" for lowering inflation and trimming deficits.

However, structural changes in the economy will ensure continued high unemployment and a continued impoverishment of working people, unless governments undertake policies to counter the effects of these changes.

Difficult though it is to see, in the face of the problems and pressures created by high unemployment, the technological changes presently occurring offer potential benefits for working people. A shorter work week and freedom from hazardous or tedious jobs would be positive changes.

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[34] Muzynski, L. Estimated Social Accounting Cost of Unemployment in Canada, Year-End 1982. Social Planning Council of Metropolitan Toronto. 1982.

In order to ensure that the economic transformation presently underway benefits working people as well as management, it is essential that governments develop policies around the issues of a shorter work week at adequate pay, retraining the work-force, and the creation of permanent jobs in sectors where expansion is needed (eg. construction of social housing, service industry, environmental maintenance and protection, etc.)

Armstrong described the work done by unemployed action centres to provide immediate help. In the long run, she felt that the solutions to the crisis are political. For governments to continue to accept high unemployment as a solution to inflation and recession is unacceptable; we need to change governments' minds about their policies, or change governments. In addition, Armstrong felt that we need to develop a better understanding of the effects on work and workers of new technology being rapidly deployed. A shorter work week (at adequate wages), job sharing and retraining are necessary policy components of such an understanding.

4. Conclusions

There is some common ground in the problems and policy/service needs between the three groups described in this report, however disparate their routes to poverty.

The Ontario Regional Workshop emphasized the need for coalition-building between the various groups disadvantged by current socio-economic policies and structures. While the differences of each group must be understood and respected, the building of effective coalitions is based in the commonalities of need among them.

As well as outlining the common grounds on which groups might cooperate, an examination of existing socio-economic policies and services reveals a disjointed, piecemeal approach to meeting people's needs. There is no comprehensive industrial strategy, no family policy, no housing strategy, etc. Problems that arise are frequently treated as if they exist in isolation both from the socio-economic and ideological structures of the society, and also from each other.

In terms of policy and service development, the needs of the groups discussed in this report fall into the following six categories: income maintenance, employment and training, housing, support services, research and public education, and political activity. Within each category are several issues on which policy is presently inadequate or non-existent.

- Income maintenance. The principle of universality in the provision of income maintenance and social welfare services (health, education, social services) must be maintained. The Ontario Regional Workshop suggested that the present piecemeal income maintenance programs be replaced with a guaranteed annual income, one geared to the actual cost of living. Hand in hand with the guaranteed annual income is the need to restructure the income tax system so as to make it truly a progressive system. The past two decades have seen little change in the possession of wealth; many studies have documented that the poor are as poor as ever, in spite of efforts to redistribute income towards them. Part of the failure lies in the lack of progressivity of Canada's tax system.

In the meantime, our present system can be improved: social assistance rates in Ontario are woefully out-of-date and must be raised to reflect the actual cost of living. There is some degree of bureaucratic bungling, in the form of ignorance within the bureaucracy about policies and programs in various departments, which must be eliminated.

Sole support mothers, in addition, require that Ontario improve its performance in ensuring that court child maintenance orders are enforced.

- Employment and training. In a rapidly changing economy, there is an urgent need for a comprehensive industrial strategy which includes:

a) the creation of permanent jobs by expanding the public sector in such areas as housing, environmental protection and development, workplace health and safety, community and personal social services (eg. day care, interval houses, etc...)

b) the expansion of education and training geared to the emerging high-technology economy, in terms of both training for new jobs and also towards full enhancement of leisure time and activities; funding for education and retraining must be adequate to cover the actual costs of a period of study.

c) a shorter work week at adequare salary.

d) the **planned** introduction of new technology so as to minimize the social disruption and human waste attendant upon such change and ensure a smooth transition to a "new world" which benefits **all** classes of people.

e) a reversal of the current trend towards privatization of public services in the areas of utilities, transportation, health care, social services (eg. nursing homes, day care, alternative housing for disabled, etc...)

f) safeguards to ensure that the current recession and the introduction of new technology are not used as convenient excuses to exploit and abuse workers (eg. forcing longer working hours, inadequate or hazardous working conditions, etc...)

g) development of training and work opportunities to enable disabled people to participate according to their particular limitations.

- Housing. Currently there is a shortage of affordable housing in most centres. High interest rates have restricted housing ownership to fewer and fewer Canadians, and high rents and the lack of social housing place lower-income groups at particular disadvantage.

There is a need for more social housing, developed to meet the needs of people on fixed and low incomes, and people with disabilities of various kinds.

A comprehensive housing policy must also monitor the private market, eg. rent controls, targetting investment to ensure that the current recession is not used as an excuse to reap large profits in through speculation or to allow current housing to deteriorate; and developing legislation which ensures tenants' rights (security of tenure, privacy, ending of discrimination towards single parent mothers and disabled people).

- Support services. Government policies throughout the recession have placed us in a "catch-22" position: at the same time as economic hardship has increased the demand for services, government fiscal restraint and cut-backs have actually reduced the level of services available.

Day care has never been sufficient to meet the need for it. We require more day care spaces which are affordable, flexible (i.e. to cover shift work), and located in our neighborhoods.

Poor and disabled people require practical aids in the form of lower bus fares, and legislation to ensure that basic utilities (eg. hydro, phone) are available to them, subsidized if necessary. The current failure to ensure such basic amenities contributes to the social isolation of many poor and disabled people.

Disabled people require social and recreational programs to enable them to develop life skills, contacts with other people, and generally enjoy a varied and normal life.

Unemployed action centres have begun to be established in the province. There is a need for increased funding of these to meet the particular needs created by unemployment, enabling unemployed people to work together on their common problems.

- Research and public education. The Ontario Regional Workshop felt that more research was required about the current situation and needs of particular groups (eg. deinstitutionalized people), so as to concretely guide policy decisions.

Further, it was felt that the general public is poorly informed about the goals of particular policies (eg. deinstitutionalization) and therefore unable to contribute to their effectiveness.

The poor generally, and particular groups of poor (single mothers, ex-psychiatric patients), are still subject to some social stigma and discrimination, at least some of which could be alleviated by public education aimed at raising the general consciousness.

Research and public education should also point out that governments freqently fail both to consult with the groups affected by particular policies and also to clearly explain their policies to the general public. This effectively prohibits most people from participation in the decisions which affect their lives.

Research and public education needs also to eliminate barriers and suspicions between disadvantaged groups, so as to enable them to come together in coalitions working for their common interests.

- Political activity. Many participants in the Ontrio Regional Workshop felt that some of the solutions to the problems discussed were political, necessitating the development of coalitions between disadvantaged groups which would press governments for changes in current policies.

While there was disagreement on the issue of "overt" political activity (i.e. openly supporting particular political parties) versus a "covert" focus (i.e. discussion of issues rather than parties), there was consensus on the need to inform and influence political decision-making.

- The Role of the Canadian Council on Social Development. It was felt that the CCSD can play a key role in helping to generate the research and public education needed to enhance policy discussion and an understanding of social polity options among Canadians.

The CCSD can also strengthen its own links with other groups -- labour, the churches, social planning councils, etc. -- working towards social reforms.

CHAPTER IV

THE NATIVE CHILD WELFARE SYSTEM AND SOCIAL SERVICES

For the Northwest Territories and the three Prairie provinces, Alberta, Saskatchewan and Manitoba, the regional consultative workshop assumed an original form. It was held as an invitational seminar sponsored by the Assembly of First Nations and CCSD.

In 1983, the Canadian Council on Social Development published a controversial report entitled Native Children and the Child Welfare System.[1] This report presented a statistical picture of Native children in the care of child welfare authorities and documented the effects of the child welfare system on Native Children, their families, and their communities.

Author Patrick Johnson highlighted two central problems:

- jurisdictional disputes between the federal and provincial governments on the issue of authority to provide child welfare services to Native children on reserves;
- the lack of sensitivity and understanding of Native cultural values inherent in a child welfare system administered by the dominant culture.

The invitational seminar was therefore a follow-up to this publication and represented the Canadian Council on Social Development's contribution to the planning of a National Indian Child Welfare Conference to be held in the fall of 1984.

1. The present situation[2]

The Indian Child Welfare situation in Canada has been labelled a national tragedy and a national disgrace. Some have gone so far as to state that the child welfare system's treatment of Indian people amounts to cultural genocide. Whatever the case, it has now been generally accepted that the child welfare system in this country has not acted in the best interest of First Nations children, families and communities. It is easy to see why these conclusions have been reached.

Current studies on Indian child welfare reveal that in 1980, 4.6% of all First Nations children were in the care of child welfare authorities. This is four and a half times the rate for all children in Canada. Once taken into care, Indian children are less likely to be returned to their homes than are non-Indian children. For the ten-year period, 1969 to 1979, more than 78% of Indian children involved in the child welfare system were placed in non-Indian homes. Studies have also revealed a correlation between those who have been in the child welfare system and those in penal institutions. In Canada, Indians are over-represented in inmate populations in jails and penitentiaries.

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[1] Patrick Johnson, Native Children and the Child Welfare System, CCSD in association with James Lorimer and Co., publishers, Toronto, 1983.

[2] This report was prepared by Keith Leclaire, Research Assistant - Health, and by Cathy Bruyère, Social Services, Assembly of First Nations.

What has brought Canada and the First Nations to this sad state of affairs? The reasons are many.

No doubt, one of the major contributing factors has been the debate over whether the federal or provincial government have the authority to provide child welfare services to on-reserve Indians, and which jurisdiction has fiscal responsibility for Indians. Under Section 91(24) of the **Canada Act** (1876), the federal government has jurisdiction over "Indians, and lands reserved for Indians." The federal government argues that this legislative authority is discretionary, and that it is not obliged to enact legislation in all matters related to Indians. Under Section 92(13), the provincial governments have jurisdiction over child welfare. In the absence of federal legislation, Section 88 of the Indian Act applies. Section 88 states that "all laws of general application from time to time in force in any province are applicable to and in respect of Indians in the province" so long as they are not inconsistent with the Act, the terms of any treaty, or any other Act of Parliament. The federal government argues that provincial child welfare laws are laws of general application. Provided they are not inconsistent with the Indian Act, treaties, and other federal legislation, the provinces have **de facto** jurisdiction over Indian child welfare.

Some provinces, however, assert that Section 91(24) means the federal government has exclusive jurisdiction over Indians and therefore retains the responsibility for providing child welfare services to Indians. As a result, these provinces refuse to extend provincial child welfare services to reserves. On the other hand, some provinces indicate their willingness to extend services to reserves, with the proviso that the federal government financially compensate them for doing so.

First Nations, for their part, continue to argue that the federal government has exclusive jurisdiction and responsibility for the provision of all services to First Nations' citizens including child welfare.

While the jurisdictional debate continues, the child welfare services available to Indians vary in both quantity and quality. Consequently, many of the support services usually available to families in times of distress are not generally available to Indian families on reserves. Without such supports, family situations often deteriorate, leading to the eventual apprehension of many First Nations' children.

While the jurisdictional uncertainty has contributed greatly to the problem, the greatest contributing factor continues to be that of the continuing colonialism, institutional discrimination, and the inability of the non-Indian world to appreciate, respect, and give credence to the unique cultural identity of Indian people and First Nations.

The child welfare system is a system steeped in the values and norms of a dominant culture. Provincial legislation makes constant reference to terms such as "proper", "fit" and "competent". These words can only be measured in very subjective terms -- terms which only have meaning in the context of a society's norms and values. They are not terms which can be easily transposed from one culture to another. What is "proper" and "fit" in one culture many not be "proper" and "fit" in another.

Social work practice has traditionally advocated for the protection of the disadvantaged and the poor in society. Social work has also been at the forefront of protesting and safeguarding the integrity of the family unit. Unfortunately, there is every reason to believe that social work practice in Canada has contributed directly to the deterioration of Indian family life, the weakening of Indian culture, and, very directly, the debilitation of Indian Nations.

Social work courses within Canadian universities do not regularly include basic native studies as part of their course curriculum. As a result, not only are Indian aspirations, behavior and resources not understood, they are generally neglected by social work practice and are therefore denied expression and visibility.

Social workers and court personnel are continually exposed to media stories of abhorrent living conditions on reserves, high rates of alcoholism, suicide and violence. As a result, many of them have internalized the view that Indian children are somehow better off if they are removed from their family and reserve environments. This view is not unlike that of religious missionaries and educational authorities, in the years of the residential schools, who thought it best to remove Indian children from their familial and cultural environments in order to teach the white man's ways.

Some social workers also appear to hold the view that the higher economic status and educational levels of non-Indian foster parents means that these families can provide greater benefits to Indian children than can Indian families. This may be one reason why few Indian children involved with the child welfare system ever find their way back to their families and communities. It is unfortunate that these views are fairly widely held, for they deny the expression of the characteristic resources and strengths, both material and spiritual, within First Nations communities.

Child welfare practices dictate that parents be fully informed of the charges against them and of the resources they have available to them for their defence. It has been proven in many instances that neither the child nor the natural parents have been represented by counsel, nor have they been adequately informed of their rights in child custody hearings. The strengths of the family are often not explored and presented, only the weaknesses.

Sadly, many social workers do not attempt to assist the family overcome the problems which resulted in their children coming into care. Thus, the family many never be given the opportunity of retaining their children.

Unfortunately, many Indian children are placed in foster home a good distance from their families. Again, the underlying motive appears to be the idea that it is best to remove these children as far away as possible from contact with their familial environment. It is therefore not surprising that many Indian parents and extended families are not advised of their visiting rights. Even if the family is informed, finances often preclude such visits. Without regular contact between the parent and child, social workers and the courts sometime conclude that parents do not care about their children.

Perhaps the most distressing aspect of the Canadian child welfare system is that it has not generally acted in the best interest of Indian children. Rather than safeguarding the rights of Indian children, it has often made victims of them.

Studies have shown that Indian children are subjected to several foster homes even before their custody hearings have proven neglect or abuse. These repeated moves only serve to confuse children, rather than provide them with a sense of security and protection. Not only may children feel abandoned by their parents, they may also feel no one else wants them. They must therefore be "bad". Indian children remain in the category of "hard to place"; they may remain in foster homes for years before they are adopted.

As previously stated, most Indian children are placed in non-Indian homes. Some make the adjustment successfully; many do not. All of these children must come to grips with their Indian identity at some point. They must face the fact that they are different from their parents. Some reconcile their differences; many do not. Many will always suffer cultural conflicts, living with "one foot in one world and one foot in another" -- belonging to neither. Deep psychological problems often result, leading to "acting out", alcoholism and conflicts with the law and with their adoptive parents.

An additional problem for status Indian children, is that once adopted they lose their status as Indians, and citizenship in First Nations. Upon adoption, their names are removed from their band list and placed on the general list of the Department of Indian Affairs in Ottawa. While adoptive parents are advised of the child's treaty status, it is up to their discretion whether or not they ever tell the child. If children are not told of their status as Indian, they may lose their treaty annuities, their per capita share of their band's assets, and any treaty or aboriginal rights which might accrue to them. More importantly, they will be denied, **de facto**, their First Nations' citizenship.

While social services have not always had a high priority for First Nations political leaders, this situation is changing very quickly. First Nations are moving to protect the rights of their children and the Indian Family unit.

2. First Nations control over Indian child welfare

A number of initiatives have arisen in terms of First Nations and the child welfare issue. In 1980, First Nations in the province of

British Columbia publicized the alarming rate of children in care. This was accomplished through the forum of an Indian Child Caravan. This Caravan resulted in over 1,000 Indians converging at the B.C. Minister of Human Resources home on Thanksgiving Day, 1980.

The publicity assisted the efforts of the Spallumcheen Band in attaining further control in the area of child welfare. The Spallumcheen Band has approximately 300 members. Since the 1960s more than 150 children had been removed and placed in non-Indian homes.

In 1980, the Band Council passed a by-law stating its "exclusive jurisdiction over any child custody proceeding involving an Indian child." Although initially refused, it was submitted and not officially overruled by the Department of Indian Affairs. Legal jurisdictions notwithstanding, the Province of British Columbia recognizes the right of the Shuswap Nation in matters of child welfare. The principal players in this development have implemented their own program. They are aware that this activity is a "test case" and is closely monitored by other interested players. This initiative is the first. It is tremendously significant.

Other First Nations have entered into tripartite agreements for greater involvement in their Indian child welfare. These agreements involve federal, provincial and Indian governments. The Blackfoot Bank, the First Nations Confederacy of Manitoba, the Dakota-Ojibway Child and Family Services, the Fort Alexander Child and Family Services, the Family and Children's Services of the District of Kenora, and a number of other Bands in Alberta and New Brunswick have initiated activities in this area. Through these efforts, Indian participation in child welfare activities has improved.

A number of First Nations are seeking amendments to provincial legislation to enhance Indian involvement. Concern over the recognition of culture in defining the best interest of the Indian child has increased. There are also questions relating to the establishment of Indian child welfare authorities within Band level operations.

First Nations viewpoint of cultural recognition fears are based on the current jurisdictional situation. Under the present system, family courts are free to interpret several vague terms such as what is "proper", procedures that appear "fit", and actions which are in the "best interests" of the Indian child. Family courts are either unable, or not inclined, to offer "cross-cultural" awareness training to child welfare authorities. This ultimately leads to final decisions by professionals who lack proper cultural sensitivity.

While most provinces now notify Bands of impending Indian child interventions, they lack the necessary resources to effectively intervene. A case in point is the recent case of an Indian child from Ontario who was undergoing apprehension proceedings in Alberta. Although the Band was notified, it had inadequate resources available to intercede on behalf of the child. If an Indian child welfare authority were operational, the Band would have been in a better position to effectively deal with the matter.

First Nations are awaiting the passage of federal Indian child welfare legislation. To date, all tripartite agreements contain an opting out clause, which states that once federal Indian child welfare legislation comes into effect, it will take precedence over tripartite agreements.

At the moment, the federal government lacks the political will to pass the necessary legislation although it is clearly within their authority to do so. Instead, the government is awaiting the outcome of the constitutional discussions on the right of Indian governments to legal juristiction and on the jurisdictional clarification of the federal and provincial governments vis-à-vis child welfare.

The Federation of Saskatchewan Indian Nations, the Indian political organization of Saskatchewan, is already working on Indian child welfare legislation. In their report entitled Indian Control of Indian Child Welfare, the current Indian child welfare services are documented. Options with respect to the implementation of First Nations control in Saskatchewan are presented.

The Assembly of First Nations is now in the process of defining the principles which will guide policy formation. From this process, the subsequent legislative framework will develop. Dr. David Ahenakew, National Chief of the Assembly of First Nations, has requested a moratorium on the placement of Indian children in non-Indian homes. To date, there has been no affirmative response from Mr. John Munro, Minister of Indian and Northern Affairs.

Present activity at the Assembly of First Nations office relates to the establishment of National Indian Child Welfare, Protection and Repatriation offices. These offices will assist in the proper development of Indian child welfare mechanisms.

In the fall of 1984, a National Indian Child Welfare Conference will be convened. The date and location will be determined in the near future. The focus of the conference will be the overall development of First Nations control in Indial child welfare. The theme of this conference is appropriately entitled, "Taking Care of Our Own."

3. Conclusion

From this report, it is apparent present child welfare activity is not in the best interest of First Nations children. Jurisdictional disputes, the imposition of different cultural values, social and court workers' lack of awareness of Indian culture, and the child's loss of cultural identity and First Nations status articulate the inherent unequal treatment afforded Indian children in the child welfare system.

Today, more than ever before, First Nations want to be involved in the social issue of child welfare. First Nations are assessing the resources necessary to ensure Indian children receive the best care possible. This can be accomplished by retaining cultural integrity through the establishment of Indian child welfare authorities. There is continuing discussion over the "opting out" clause of present tripartite agreements and the possibility of federal child welfare legislation. First Nations require that the unmet need of ensuring the technical capacity to deal with this issue be developed. The request to stop Indian child placement in non-Indian homes, the formation of child welfare offices, and the convening of a National Conference on Child Welfare are attempts by First Nations to eradicate the most important child welfare issues in Canada in the 1980s.

CHAPTER V

PRIVATIZATION AND THE PUBLIC TRUST

On the west coast of Canada, the Social Planning and Review Council of British Columbia associated itself to the Canadian Council on Social Development to plan this joint regional conference.[1] The two organizations have engaged in this collaborative effort to offer people of the region an opportunity to participate in the assessment and advocacy of sound provincial and national social policies.

This report is not a formal proceedings statement; rather it is concerned with capturing the flavour and central themes and issues running through the event. Thus, while the resource people are identified for each section, the text does not attribute remarks to everyone. Brevity has required synthesis.

1. The Farewell State[2]

Anthony Tobin, in his keynote address to the conference "Privatization and the Public Trust", explored the theme of the "Farewell State", identifying it as the antithesis of the Welfare State. His discussion was construed within the context of the overarching theme of the Public Trust, and he looked to historical precedents and the evolution of philosophies of state intervention in the social arena in order to better couch the rise of neo-conservatism within the experience of the modern era. These tandem themes, the Farewell State, and Privatization and the Public Trust, are both timely and important in that they probe both the nature and extent of government provision of services. Tobin stresses that, while the questions themselves are not new, the context in which they have lately arisen is unique.

In Tobin's analysis, the Farewell State represents the reverse of the Welfare State, and thereby signals a decline of state commitment to social welfare. This declining commitment he further links to the programs of Margaret Thatcher and Ronald Reagan who invoke notions of individual freedom which hearken to the so-called Liberalism of the 19th century. In this schema, 'freedom' refers to freedom from state regulation; individualism, refers to economic libertinism. Tobin identifies Milton Friedman as the intellectual architect of the neo-conservative view of market-place freedom, an intellectual construct which looks to the laissez-faire philosophies of Adam Smith, and seeks to resurrect 19th century ideals of an unfettered private sector. To achieve this return, the new conservatives see, as an imperative, the dismantling of the Welfare State. The return to the unregulated market is not marked by any concern for balance or improving the social fabric; there is no attempt at political or ideological accommodation. Tobin regards the new individualism as provocative and confrontationist, and therefore a danger to social stability.

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[1] The CCSD is thankful to John Butcher for having authored this report on the regional conference.

[2] Anthony Tobin, keynoter; Marjorie Martin, respondent.

Friedman and his intellectual heirs have a great deal of affinity with such theorists as Malthus, Bentham and Adam Smith. They do not believe in the 'public trust' -- the collective responsibility for social balance as mediated through our public institutions. The legacy from which the Farewell State takes its direction is that of the Victorian Poor Laws and the workhouse of Dickens' time. In similar fashion, what they attack through policy are the provisions for those in need, rather than the causes of need itself.

The Farewell State seeks to drive persons from the welfare market while at the same time reducing state support of private institutions for caring and help. They seek a return to charity as an aid to reduce dependency, and invoke the "doctrine of the wages fund" which holds that social expenditures reduce the accumulation of capital. The Farewell State (and its advocates) see as inherently evil the achievements of the Welfare State, and while faced with many of the problems of the Welfare State, is actively seeking to divest itself of these responsibilities.

If the depression of the 1930s provided the impetus for the evolution of state provision, the cyclical downturns of the late '70s and the early '80s coupled with the realization that growth was not unlimited, fuelled the retrenchment of social programs and the declining commitment of the state to collective well-being. The anti-collectivists advance the illusion of freeing people from the tyranny of state intervention by substituting a tyranny of neglect.

There have occurred substantial shifts in responsibility from higher to lower levels of government, and onto the community and the private sector -- all without the benefit of enabling frameworks or rational policies to facilitate this change. Tobin asks those involved in the caring professions to respond:

1) by exploring the legal and constitutional aspects of state provision;

2) by developing new methods of meeting human needs and new responses to the state; and

3) through the articulation of standards of care, monitoring and measurement.

Tobin cites the need to construct a new social matrix to bridge the gap between welfarism and farewellism; he calls for networking, as opposed to hierarchies. He calls upon the helping professions to move beyond dogmatism and power bargaining in order to identify the underlying needs of both sides.

The issue, for Tobin, is neither the Welfare State nor the Farewell State, but, rather, a need to move beyond bureaucratic liberalism and paternal statism to find more equitable collaborative structures. Imperative is a return to the historical notion of the individual's "right to live", a reaffirmation of social commitment over private advancement.

2. The politics of privatization[3]

Marjorie Martin has conceptualized the problem as a "war" between the public trust and privatization. Apart from the philosophical dictum of free enterprise, power -- political and economic -- underpins the cause of privatization. The stated reasons for privatization belie the political agendas of capital and capital interests. Despite touted aims of cost-reduction and increasing service responsiveness, service providers are in fact experiencing a declining capacity for response while monies and resources "saved" are redirected into more "productive" sectors. Through all of this, there is little evidence of planning and virtually no consultation with those most conversant with the social service sector. British Columbia has experienced a continuing decline of government commitment to social welfare since 1976. This has taken the form of freezes or outright elimination of programs, incremental changes in welfare and labour law, and the gradual emasculation of workers and unions.

According to Darlene Marzari, "privatization", as part of the coined rhetoric of the New Right, represents the philosophy and the process of dismantling the Welfare State. Peter Cameron, taking up the gauntlet, typified it as a divesting by government of employees and responsibilities on the naive assumption that the "invisible hand" of the market will pick-up discarded functions. In Cameron's view, restraint, as exercised by the Social Credit Party and their ideological mentors at the Fraser Institute, serves the interests of those who already have power in the system. Restraint does not apply to capital interests, only to state commitment to the social safety net.

Privatization, thus conceived, becomes part of a process to make British Columbia attractive to foreign investors. Reduction of the collective responsibility posits more control in the hands of the "haves" in our society. The "new reality" of Social Credit is typified by the re-creation in B.C. of a third-world economy where the rights and power of working constituents is debased, and labour is made more malleable to political and economic control. Opening the personal service sector to entrepreneurial interest suggests a further erosion of consumer control and portends an erosion of service quality and standards, as well as a potential for political patronage.

There are also technical-level questions which must be addressed in terms of standards, efficiency, and program planning and design. Currently there is little evidence that these issues rank significantly on the government's scale of priorities. There are also problems inherent in the shifting jurisdictions of service provision: city and municipal governments are called upon to fill the breach left by the province while allocations to local governments decline and their revenue base remains static. Government in B.C. has demonstrated an unwillingness to set standards of service delivery, especially in the public sector: set standards too high, and the services may be too costly; set standards too low, and risk legal or political liability. There is more than one way to deliver a social service -- there are advantages of flexibility and advocacy that pertain to the voluntary sector. There is, however, a need for planning -- the social service network is far too complex a system for **ad hoc** change.

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[3] Darlene Marzari, chairperson; Marguerite Ford, Renata Shearer and Peter Cameron, presentors.

The changes taking place in the social services are fundamental and involve ideological redefinitions as well as organizational restructuring. Renata Shearer asserts that privatization seeks to take society's problems out of the public sphere; service recipients are put back into the position of receiving charity, and, as such, privatization signals a return to residualist ideals of provision. Involved also are issues of political control, power, and privilege. While the province divests itself of the responsibility for social welfare planning, it simultaneously seeks to centralize its decision-making apparatus. Under the guise of freeing the individual, government increasingly circumscribes citizens' access to government and information. Privatization leaves the individual to the vicissitudes of the market-place through the reduction or elimination of enabling structures or legislation. This is a disturbing echo of the observation by Anatole France who wrote:

> "The law, in its majestic equality, forbids the
> rich as well as the poor to sleep under bridges,
> to beg in the streets, and to steal bread."

Privatization as a declining eligibility for a share of the public wage is a question less of economic need than of political choice. As Peter Cameron observed, Canada's GDP was much smaller when our collective will was at its largest. Now, those who can afford to support the collective will are no longer willing to do so. There are valid issues of inflexibility or inaccessibility when dealing with highly bureaucratized systems, whether public or private. There are problems with declines in industry, structural changes in the workplace, and declining government revenues. But reactionism and retrenchment -- whether from the right or the left of the political spectrum -- are neither valid nor rational responses. There is some concern that efforts at conciliation actually represent co-optation -- that by accepting the process and burden of restraint, the social service sector aids and abets the current political order. The question, therefore, becomes one of how to look for new alternatives in a policy vacuum, how to concentrate on problems of entitlement and adequacy in the face of intellectual intransigence.

There is no question of the public responsibility. We must, however, be open to changing conceptions of expressing that responsibility. It falls to social service professionals to conduct the research -- to do the analysis -- and win their point by force of reason. Confrontation and polemics provide the New-Right ideologues with the ammunition to warp our intentions. What is needed are new forums to create dialogue between those of conflicting interest, to develop interchanges and consensual processes which take into account the variable standpoints of the participants in a polity. Redefining the public trust does not mean simply restructuring programs; it means redefining and reformulating the intent behind the policies.

3. The economics of privatization[4]

While there is some question of whether moves toward privatization in the social services have any clear rationale, it is useful to examine the economic parameters of contracting out public services. In fact, although the evidence is not in, and despite the rhetoric of government proclaiming cost-saving as a result of purchase of service contracting (POSC), the presentations made at the conference suggest that econometric analyses may constitute the most powerful critiques of government policy. Indeed, according to David Donaldson, welfare economists do not accept the cost-saving rationale of privatization. He stresses that in Canada there are two distinct wages which comprise the economy -- the public and the private. Privatization therefore becomes an indirect means of reducing the public wage, which means, essentially, social services.

Gavin Perryman, who has worked as a social planner in the Lower Mainland of B.C. for several years, attests that outside the Metro Vancouver region contracting out of services has been the norm for many years. However, while privatization in the sense of contracting out is not in itself new, there are aspects of the emerging situation which are not part of our prior experience:

1) Government is divesting itself of services which were previously provided in the public sector.

2) The contracting out process has changed through the use of a tendering approach. The policies and criteria for contracting have not been made clear, and there is no indication of the direction of policy.

3) The socio-economic context of contracting for services has shifted, and is in part defined by the government's concept of restraint.

There are, in addition, other indirect forms of privatization which may be even more fundamental than direct privatization. For instance, some reductions in levels of government assistance or other programs are being picked-up by the voluntary sector without government support. The proliferation of food banks is an example of voluntary efforts to fill the gaps left by reductions in government transfers to individuals.

There are also shifts in the field of contracted services which see clients being redefined and "bumped" onto other service sectors. Contracted services are also, in some instances, following a tendency to substitute for services cancelled under government auspice. In addition, the past two years have seen zero-percent increases in funding to both public and voluntary agencies (funding has not even been indexed at the rate of inflation, reflecting, essentially, budget cuts) which has had the effect of increasing staff attrition and turn-over, increasing case loads, and lowering quality and effectiveness. In sum, it has reduced the overall level of service to clients. The question arises of whether voluntary agencies gain from accepting POSC's. A problem which will have to be met by voluntary agencies is the extent to which they may suffer from management or organizational decline as their core image, built on a tradition of voluntarism and advocacy, is brought into conflict through purchase of service contracting.

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[4] Al Garneau, chairperson; David Donaldson, Jim McRae, Don Fisher and Gavin Perryman, presentors.

Privatization is manifested differently in the public sector and may have various economic characteristics. In the social services, unlike commodities such as beer or wine, the government is the purchaser as opposed to the public. Also, the "product" of social services cannot be compared, according to standard economic measures, with "goods", and thus may not be amenable to analysis in terms of economies of scale. The issue of privatization is not just a managerial issue with efficiency as the only criterion; there are also crucial questions of equality and economic justice. David Donaldson suggest four criteria for use when considering whether or not a service ought to be privatized:

1) Does the privatized service use more or less of scarce real resources to provide a similar level of service to government? For that matter, are the real resources of society actually scarce?

2) Can quality of service be maintained without excessive cost?

3) can cost growth be made stable over time while maintaining the quality and level of service?

4) Is the distribution of income more or less equal, or more or less "just" after privatization?

Why does the B.C. government want to privatize? Privatization, as a policy, emerges out of neo-conservatism, which holds as a central tenet that without a free market you do not have a free society. The philosophical rationale is that self-interest motivate people to make rational decisions within the market, and thereby contribute to the collective well-being. Privatization has come about as the latest attack on publicly provided services and is an outgrowth of critiques on the levels of government intervention in the market place whether through restrictive regulation or direct competition. However, cost efficiency through privatization cannot be accepted as an article of faith. There are a great many technical and organization problems inherent in the process as it now exists, which do not bode well for the continuance of quality, service, or equity.

Also problematic is the political agenda of the policy-makers. Privatization may be a policy to destabilize public and private-sector unions. Contracted services are also more prone to political manipulation and are much easier to cut, thus impairing the traditional advocacy function of the voluntary sector. Increased competition may, in the future, lower costs, but these will be reflective of lowered wages or increased volunteerism. Wage reduction does not, however, necessarily mean improvements in terms of efficiency. The likelihood is, in fact, that economic inequity and injustice will increase. By paying people as little as possible to perform socially responsible tasks, we in effect penalize those who would augment the social safety net. Nor does the government social service agency have the resources or manpower to effectively monitor contracted services, for they too have suffered organizational declines as a result of cutbacks.

Privatization has proceeded through the creation of a myth of financial crisis. "Restraint" is a smoke-screen created by governments to mask the selective dis-government of crucial aspects of our social fabric. It is also part of an old debate: how to get the maximum output from the least input? Is privatization an appropriate policy for improving social services? Can we evaluate POSC's, provide services, and at the same time preserve organizational values? What do we really know about contracting out? Despite the wide use of contracted services in rural areas of B.C., there has been no research into their effectiveness. There are no experts on POSC's; there is, according to Jim McRae, no "clean literature", only anecdotal evidence. There are no tested models for monitoring or evaluating services, no standards set, and no clear definition of who will perform monitoring functions.

State intervention has secured social and political gains for people: privatization may reverse those gains. If the structures created to ensure social equity are dismantled, it is the least advantaged in our society who will suffer. There are gaps in knowledge, gaps in communication and linkages, and gaps in the professional mission and political will of interested parties which must be addressed before we can steer the policy of British Columbia back toan agenda of social well-being and the maximization of the public good.

4. Privatization and the social services:

4.1 Is there a need for a regulatory body?[5]

The so-called "new reality" in British Columbia, at least in the context of this discussion, is less the reality imposed by forces external to the economy of the province than it is contingent upon the political re-ordering of priorities by government in an effort to instill the New Right conception of the socio-economic order. That privatization is proceeding, is a fact. Current moves in B.C. represent a major retreat from the precedent of public commitment to the support of the social service network. The greatest impacts of privatization are felt at the client level: as it is proceeding in B.C., privatization means the withdrawal of services previously offered in the public sector, without any guarantee of replacement. As government retreats from areas of statutory provision, the problems and care of clients are devalued, delegislated, and deregulated by legislation. In restricting community grant budgets, government simultaneously restricts voluntarism and thereby forces agencies to alter their organizational mission, forcing many to seek POSC's.

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[5] Tony Dumoulin, chairperson; Jack McDonald and Richard Gathercole, presentors.

It is thus that we must explore models of regulation and control through which we might ensure that the rights and protections heretofore accorded to persons in our society are safeguarded. Jack McDonald outlines three main categories of providers with whom the Ministry of Human Resources (MHR) contracts for services to clients:

1) individuals or couples eg. foster parents, special care/counselling services for children;

2) contracts between the MHR and non-profit societies who provide their own employees to carry out the provisions of the contract;

3) contract awarded to the entrepreneurial or proprietary sector.

There are problems associated with the regulating and the monitoring of these contracts. Staff reductions in the MHR limit its monitoring capability -- there are fewer social workers to liaise with the service providers. Contracts, typically, must be renegotiated after a 12-month period, thus posing potential obstacles to continuity of service. Also, there are legal concerns about the nature of the contract itself as it affects continuity: in B.C., either party to the agreement may cancel a contract without cause, with 30 days notice.

Problems of accountability to the client arise when services are removed from public auspice. For instance, services formerly offered by government are not subject to review by the provincial ombudsman once they have passed into private hands. At present there exists no appeal procedure for the client, no process to initiate a grievance. This is a special concern in the case of proprietary agencies where the ability to regulate is diminished by the fact that there is no volunteer involvement, and, in the case of services for the mentally ill or the mentally handicapped where the greatest growth of POSC's to profit-oriented agencies has been experienced, because one is dealing with a captive and inarticulate clientele. Non-profits, on the other hand, do have a built-in review and advocacy function due to the nature of their boards; but again, it is unknown to what extent the core values of the non-profit agency may be altered by accepting POSC's.

The concept of providing public resources or mediating public interests through regulation is one of long standing, and stems from a recognition of the public interest. Examples are the regulation of professions: regulation of commercial services (eg. the securities industry, or landlord-tenant relations) designed to protect the economic interests of the public; bodies which oversee employer-employee relations; the regulation of public utilities, where public resources are provided on a monopoly basis. In terms of social services, licencing, standards of service and modes of intervention are perceived to be in the public interest. Most, if not all regulatory models have been developed in the era of the Welfare State, where state provision of essential services has been accepted as a fundamental duty. It remains to be asked whether these or other models can be effectively utilized for the purpose of regulation in the new reality.

It behooves us, therefore, to identify the goals of regulation in the social service field:

1) to ensure the quality of service provided -- what constitutes an acceptable level of services and the qualifications of service providers;

2) to ensure appropriate access to services, including adequate geographic access to services;

3) to regulate the price of a service (this is also a question of access) and thereby protect the interest of consumers and balance the interests of providers;

4) to try to ensure public involvement and input into provision.

The obvious model for regulation is through legislated licencing and inspection. However, this requires the support of and the political will of the state to make it work, a situation not forthcoming in B.C. Contractual regulation has problems of continuity and also requires an expression of political "good faith". Specialized regulatory bodies are also fraught with political and technical problems, especially in terms of the power and scope one gives to such an agency. Regulatory bodies may require the creation of a bureaucracy of experts -- such bodies and their instruments, eg. public hearings, are demanding of manpower and expertise.

There are also problems of relations with government, questions of access for service users, and concerns for relations of the regulatory body with the service industry itself. At what regional level would such a regulatory body operate? Who would define its mandate and set the standards? These questions cannot be overstressed if concerted and progressive change is to occur.

McDonald makes the suggestion for quite a different tack to hold a province responsible for standards of social service provision. He suggests revisions to the Canada Assistance Plan that would require as a "condition for cost-sharing that each province develop and periodically update a plan for comprehensive, accessible social services in the province."

The plan would recognize citizen, professional and consumer involvement in the development and monitoring of services. It would also require that provinces "demonstrate a rational balance between services that are remedial and rehabilitative and those that are preventive and developmental." To undertake these changes, the federal government, McDonald argues, will need to "demonstrate a commitment to social service on the scale of priority it has given over the past two years to health care in this country."

4.2 What protection is provided by Canada's Charter of Rights?[6]

In terms of regulating service and ensuring adequate levels of statutory provision, it may be possible to look to the Federal government to attach stronger conditions to federal-provincial transfers. The Federal government does provide some basic minimal standards in health-care and income assistance; however, the provisions for monies cost-shared in the social services are intangible and vague. One possible tact in lobbying the Federal government could be to look to the Charter of Rights and Freedoms as a means of challenging legislation and creating legal precedents for future social policy. Through active pursuit of the Charter, it might be possible to create a concept of welfare rights and service rights for individuals.

The initiatives of the Social Credit government signal significant changes in the nature of the polity in B.C. as well as major upheavals in our social relations and forms of socio-economic reciprocity. If we are to look to any overarching principle of law which may offer some relief or mediation to the types of changes envisioned in B.C., then that principle of law ought to emanate from Canada's Constitution. As with any of the alternatives thus far considered, there are inherent problems of interpretation, implementation, and political will which may limit the power of the constitution as a guiding principle in social services. In our Charter, rights and freedoms are not absolute and may be limited by law providing that law is demonstrably justified in the context of the Canadian version of a free and democratic society. Governments which might impinge on our rights and freedoms derive their power from the numbers of seats they hold in the legislature. Such a power base does not always reflect the support of the majority of registered voters, and may represent a legislative prerogative disproportionate to its share of the popular vote. Our rights and freedoms may thus be affected in a partisan manner.

There are unclear provisions and caveats in the Charter which may not necessarily prevent governments from enacting legislation which discriminates unfairly. Opting-out clauses exist for the provinces even in the areas of human, civil, and legal rights (section 33 of the Charter). Although section 52:1 provides that the Constitution is the supreme law of Canada and that "any law inconsistent with the provisions of the Constitution is, to the extent of inconsistency, of no force or effect", it is unclear whether section 33 limits the application of section 52:1 in terms of the interest of the exclusivity of provincial jurisdiction in some matters.

The Charter refers to political and civil rights. The agenda of the conference **Privatization and the Public Trust** is concerned with social rights, which spring from a different conceptual framework. "Social rights", as a separate provision, are not entrenched in the Charter. It is unclear, at this point, whether the Charter offers any protections with regard to social service delivery and access. Still, our hope may rest with the Charter: while sections 1-34 hold no remedies at this time for the onslaught on social provision, section 36 offers some promise. This section of the Charter invokes a commitment on behalf of the provinces and the Government of Canada for standards which promote opportunities for the well-being of Canadians; furthering economic development to reduce disparity in opportunity; the promotion of essential public services of reasonable quality to all Canadians; and, the equalization of regional disparities. Perhaps, where there is a failure of social services on a provincial level, the Federal government will step in politically or financially. In this way, jurisdictional battles between the provinces and Ottawa may be of some strategic advantage.

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[6] William Black, chairperson; Stuart Alcock and April Katz, presentors.

In terms of our concern, what is the public trust? What are we looking for in the Charter and in legislation that will assure the responsible exercise by government of the agency of public trustee? The types of accountability in government, as regulated by the Charter, are open to debate. Does the Charter apply only to interactions between individuals, or between individuals and the state? If the latter, then there is an accountability factor of the state to that individual. Thus far, the Charter has been interpreted with particular regard to regulation as it affects individuals. It may be, in terms of provision generally, that what the public trustee is doing or failing to do, or what its legislation provides for it to do, would be the route for challenge. The cost of using the Charter makes it unavailable to most people as a remedy, so we must look to the institutional settings within which the Charter may be used. As government has created the agency of the public trustee, the onus is therefore upon the state and its institutions to provide the resources for the protection of the public trust. In the meantime, we await the decisions of the courts, but beyond that, we must gather the collective will and energy, across all disciplines, to both mount political lobbies and to enjoin the legal profession to challenge the "new reality".

5. Conclusions and summary remarks[7]

5.1 The issues related to Privatization and the Public Trust

That government has a social responsibility and that this is expressed through the concept of the public trust has been a widely held tenet of post-Victorian governments. However, current neo-conservative thought rejects this premise or at best defines a minimal role for government. Social responsibility is primarily the concern of the private sector.

The conference resource-people and participants in the main appeared unwilling to accept the neo-conservative perspective. Government must accept social responsibility as an integral part of the duties and obligations of governing. However, having acknowledged this public social responsibility of government, there was divergence of opinion among participants on the degree to which government should itself ensure direct service provision. A distinction was made between the setting of desirable social policies by government and of public resource provision on the one hand, and the providing of direct services on the other. Some participants believed that the private voluntary sector should have major responsibilities for provision. It was also apparent that there were differences about the types of services that private and public sectors ought to provide: core statutory, preventive, remedial and rehabilitative.

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[7] Michael Clague and Darlene Marzari.

The key issues then can be summarized as:

- defining the public, social responsibilityof government;
- determining the most appropriate means for service provision that respect social values associated with the right to live with dignity;
- determining the fairest and most equitable means for allocating public resources in light of the aforementioned social values.

5.2 Possible responses and options

The conference did not formally develop positions or recommendations. However, there were several themes and points raised that merit consideration in dealing with the subject of privatization. All are influenced by the current climate in British Columbia, which is unfortunately characterized by a polarity of views and by a lack of consultation by the provincial government as it redefines its roles in the provision of social services. The thrust of the options, then, is to take fresh initiatives for dialogue and to explore legal and constitutional protections. The former suggests seeking out common ground among all those who support the notion of a strong public trust regardless of political or occupational perspective, and to propose imaginative and just ways for expressing that trust in contemporary society. The latter suggests seeking support through the federal government and the constitution by means of:

- Revisions to the Canada Assistance Plan;
- Testing Section 36 of the Charter with respect to, inter alia, "the promotion of essential public services of reasonable quality to all Canadians."

These two possibilities are of particular relevance to the Canadian Council on Social Development and the work it has underway at present with respect to law and social development. The impetus for dialogue among concerned parties is a particularly appropriate responsibility in British Columbia for the Social Planning and Review Council. SPARC's interest in socio-economic planning is a means to bring together representatives from the social and the economic sectors of the province and community people to collaboratively define and develop a contemporary version of the public trust.

5.3 Summary remarks

One of the most heartening and encouraging aspects of the conference **Privatization and the Public Trust** was the bringing together of people of like minds and good will, said Darlene Marzari in closing the conference. Participants had an opportunity to network with professionals from a number of disciplines and backgrounds, all of whom are concerned with areas of human relations, human services, and care-giving. In addition to this broad representation, the efforts of SPARC and the CCSD in mounting the conference are a hopeful sign of a rebirth of social planning in British Columbia.

The conference accomplished many things: it allowed a collectivity of professionals an opportunity to more clearly articulate a range of concerns and questions, and through this, to galvanize their capacity to question and challenge the draconian logic of the "Farewell State". The conference provided an historical context for the social services in which the role of the care-giver is established. The advent of 19th century liberalism set the stage for where we are now -- the pendulum is bound to swing back again. Some definitions were clarified and the newspeak of "privatization" demystified. Thus, we were able to recapture the language, the medium of our reason, the voice of our hope. Privatization, quite apart from the glib definitions given by the neo-conservatives, may now be legitimately used to refer to a dumping of social services and the divesting by the state of the commitment to public safety and security. This is the intrinsic meaning of the word, and it has been handed on to us by the political ethos of our time.

Those like-minded individuals and institutions who are concerned with the maintenance of the social safety net need to look at definitions of public and private service, of voluntarism and private enterprise, and to remind ourselves of the values and objectives of each and compare their ability to secure social justice and freedom from fear. The issue of privatization is very much a political one; the very word is political. The political will of the state has created an uncertain milieu on which we are forced to base our future action. There has been some suggestion that we redefine the public trust. It is perhaps, a mantle that we, as a caring community of professionals and workers, must assume to aid the struggle. We, as a professional community, must turn to the institutions and the courts for help and guidance; we must be vigilant in seeking to protect and ensure the continuance of the public trust. Gaining a balance is important. Political polarization has severed dialogue and limited citizen access to systems and authorities. We, as a network of people of good will, must reclaim the centre, and to do this we must reclaim the language of the debate.

CONCLUSION

SUMMARY OF THE REGIONAL CONSULTATIONS

The regional symposia did not prepare an extensive list of all the issues facing Canadian society with respect to the direction of its social policies for the future. A number of aspects of social policies were not specifically touched on, such as pension plans, health care and housing.

An attentive observer would, however, be able to gather from these symposia all the necessary elements for an analysis of the main issues that will determine the social choices made in Canada in this decade. The description of the problems and symptoms will make it possible to extend the analysis and understand the factors that determine the direction of the welfare state in Canada.

Although a number of specific problems were described in the symposia, one major question emerges from the concerns of the participants.

It seems clear that in the current climate of structural crisis, the fundamental concern expressed at the symposia, in many different forms, boils down to the problem of the sharing of the collective wealth in both economic and social terms. Canadians have already for a number of years been aware that the gap between rich and poor, rather than becoming narrower, is widening. Socio-economic inequalities have not been eliminated; on the contrary, they are growing. This has thrown into doubt the major socio-economic policies of governments.

The participants expressed their discontent concerning the distribution of income and the organization of services. With regard to the distribution of income, two observations were consistently made; the unprecedented rise in unemployment, and the increase in poverty that really results more directly from the overall employment situation than from income security systems. These observations emerged primarily from the symposia of the Atlantic region, Quebec and Ontario. It is very enlightening to note the convergence of these three symposia, though each had its own special focus. Having stressed employment policies, unemployment and the target groups vulnerable in the labour market, the Atlantic and Quebec symposia documented a process of collective impoverishment that derives directly from the weakness of the economic structure and, thus, from the deficiencies of employment policies. Furthermore, the Ontario symposium adopted a different approach to illustrate how certain social policies generate or sustain poverty. By a different process, they were able to determine that the weakness of employment policies and the resulting unemployment are the primary generators of poverty.

As for the organization of services, which is a very important aspect of the life of the poor, a number of very specific problems were discussed in the symposia of Ontario, the Prairies and the West Coast region. For example, it was described how, in Ontario, the policy of deinstitutionalization was a source of poverty and misery for patients requiring psychiatric care.

As demonstrated in the symposia of the Atlantic provinces and the Prairies region, the social and economic inequalities experienced by the Native populations pose real, very acute problems. The failure of employment policies to adapt to Native peoples clearly illustrates the socio-economic inequalities they suffer.

The social inequalities themselves are manifested in the organization of the child welfare system and its negative impact on families, communities and Native peoples. The problem is not one of concern solely to the professionals and managers of child welfare services. It goes far deeper; it questions the operation of the institutions of the dominant culture with regard to the dominated culture. It illustrates the dilemmas that Canada's political and governmental authorities are currently faced with, in this time of undergoing constitutional change in Canada.

Budget restraints applied in the social services sector and to social programs are the primary indication of a redirection of the state's role in the struggle against socio-economic inequalities. This debate has been most widespread in British Columbia over the past year.

In the second part of this report, the problems identified at the regional symposia will be placed within a national perspective from which the dilemmas that face the Welfare State in Canada will be discussed. The evolution of the Welfare State and its operation will be the object of critical reflexion, with connections being established between the symptoms identified in the first part and the analysis carried out in the second. This part will conclude with a summary of the proposals for action with regard to the evolution of social policies in Canada.

PART TWO

THE NATIONAL PERSPECTIVE OR

THE WELFARE STATE AT THE CROSSROADS

CHAPTER VI

EVOLUTION OF THE WELFARE STATE IN CANADA

In Canada, what is generally referred to as the Welfare State has made great strides over the past 40 years, although its roots may be traced to the adaptations that followed the industrialization process throughout the 20th Century. The spread of the role of the state throughout the social solidarity structure coincided with the end of World War II. This growth was in keeping with an unprecedented effort at economic reconstruction and social investment led by the state.

In 1984, the role of the state has become so omnipresent that the tendency is to regard all social invention and demonstrations of social solidarity as the outcome of the state's initiative. We come to forget the true nature of social policies, which are, first and foremost, the expression of the organized responses that men, throughout the ages, have had to devise in order to protect themselves from certain social risks. We end up forgetting that a number of social initiatives, and many of the strongest, originate at the private, volunteer and community levels and are not necessarily mediatized by the state.

By way of illustration, David Ross estimated the combined contribution of charitable and volunteer organizations to the Canadian economy in 1981 at $4.5 billion.[1] According to a Statistics Canada survey published in May 1981, the number of hours of volunteer activity by Canadians is 374 million hours a year, which is equivalent to 212,000 person-years, based on a 40-hour work-week.[2]

If the current crisis reveals a basic trend, at a time when welfare state programs are subject to increasingly close scrutiny, it is because private initiatives and volunteer activity are acquiring an unprecedented degree of visibility and recognition. In a period when State involvement is being questioned, we see a diversification of social responses and the emergence of a new balance between government programs and volunteerism. Far from prompting a reduced expression of social solidarity, the crisis is leading us inevitably to a deepening and diversification of social responses.

The ramifications of the Canadian welfare state are nonetheless numerous, diversified and complex. They consist in legislation, programs, measures, and regulations that derive their authority from federal, provincial and municipal government action. A work of several volumes would be needed to describe its constitutive elements, and this obviously exceeds the scope of this report.

In the area of income security, for example, about 80 government programs directly affect the income of individuals or families. In 1977-78, direct transfers from income security programs to families or individuals amounted to $16.7 billion, representing 10 per cent of all income of individuals at the national level. It has been estimated that 7 million people, or about 30 per cent of Canada's population, received benefits at one time or another in that year. In one report it is noted that "For 3-3.5 million of these (or 16% of the

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1 David Ross, Some Financial and Economic Dimensions of Registered Charities and Volunteer Activity, Secretary of State, Government of Canada, January 1983.

2 Statistics Canada, Catalogue No. 71-001, The Labour Force, May 1981.

Canadian population) transfer payments were a vital source of income."[3] Without a doubt, after the recession of 1982, and given current unemployment rates, if the same calculation were made in 1984, the number of recipients would have to increase by 20 to 25 per cent to reflect the current situation.

Although the list of income security programs is quite impressive, and although they have some real impact, such programs represent only one aspect of the welfare state. To these must be added the government expenditures that support most of the infrastructure of person- and community-oriented services, and tax expenditures. These latter are defined as government revenue losses in the form of tax breaks for certain categories of people, for example, tax exemption because of age or for child dependants.

In addition, to understand the nature of the welfare state in Canada, a series of measures aimed at regulating "the social and biological reproduction of the family"[4] must be taken into account: these measures regulate the legal limits of the expression of sexual life, for example, the relationships between people of different sexes or the same sex, marriage, contraception, divorce and abortion. The same is true of measures regulating, notably, public health, education and labour, for example, the compulsory school attendance age, minimum health standards, labour standards, the minimum wage and maternity leave. These are measures, and there are many others, that, without necessarily being costly to the state, are important elements that express the interdependence of citizens and the social relationships that prevail in the welfare state.

Canadian society has, then, developed an impressive series of highly diverse public and private measures entrusted to the community but largely dominated by the role of the state. The description of the evolution of Canada's welfare state and its operation will explain why, in 1984, the problems of poverty and redistribution of income have assumed such significance in the regional symposia. The evolution of the Welfare State over the past 40 years may be divided into two principale periods: a period of expansion and a period of slowdown.

1. The period of expansion (1943-1973)

During this period, until the oil crisis of 1973, Canada's economic structure evolved very rapidly; as productivity increased, we witnessed very impressive industrial growth accompanied by increased exports. The increase in employment was generally equal to or slightly greater than the increase in the annual unemployment rate reach 6 per cent. The growth of the public sector often absorbed the labour surplus that the private sector was unable to assimilate.

The structural transformations undergone by Canada during this period were characterized by a strong trend towards urbanization; the massive transfer of the labour force from the primary industrial sector to the secondary and tertiary sectors; increased productivity; the growth of exports; and the considerable expansion of the public sector. It was, then, within a context of growth and prosperity that Canada's major social policies were established or developed.

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[3] Canadian Intergovernmental Conference Secretariat, The Income Security System in Canada, Report for the Interprovincial Conference of Ministers Responsible for Social Services, September 1980, pp. 35-39. (Refer to page 39.)

[4] Allan Moscovitch, The Welfare State in Canada: A Selected Bibliography, 1840-1978, Wilfrid Laurier University Press, Waterloo, Ont. 1983.

The welfare state in Canda was introduced gradually, one measure being added to another without any real overall plan, but the whole constituting a "social minimum". Each element of the system is intended to meet a specific objective, but often the cumulative effects of programs were not foreseen. At times the beneficiaries are the victims of unanticipated overlapping or negative consequences that maintain dependency rather than independence.

The main public expenditure programs introduced federally that shaped the welfare state during this period were the following:

1945 - Family Allowance

1950 - Old Age Security

1956 - Unemployment Insurance Act, to amend the 1940 act

1964 - Amendments to the National Housing Act allowing for the development of subsidized housing

1965 - Canada Pension Plan and Quebec Pension Plan

1966 - Canada Assistance Plan, blueprint law that allows for the sharing of 50 per cent of costs of social assistance and certain social services with the provinces

1967 - Guaranteed Income Supplement for retired persons and persons in need

1968 - Medical Care Act

1971 - Revision of the Unemployment Insurance Act that improved the benefits and the eligibility criteria and added recognition of certain social rights, coverage of which is funded out of the general tax system.

During this period, the growth rate of government expenditures in the areas of health, education and social welfare was generally higher than that of the gross national product (GNP). In the 30 years, from 1943 to 1973, the percentage of these expenditures in relation to the GNP rose from 3.5 per cent to 20 per cent. This corresponds to the expansion period of the welfare state, a period whose end we place in the early 1970s for two main reasons. First, in 1973, we observe an abrupt change in the economic situation; this is the time of the first oil crisis. This is also the period of a major concerted effort to reorient social programs: the federal-provincial review of social security.[5]

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[5] Canada, Health and Welfare Canada, Working Paper on Social Security in Canada, Ottawa, 1973.

2. The Slowdown (1973-)

A study of Table I will show that from 1973 on, social expenditures[6] had a tendency to level off.

TABLE I

Evolution of the Population of Canada,
the gross national product, Consolidated Expenditures[7]
and Expenditures of a Social Nature[8] from 1963 to 1980

YEAR	POPULATION	'GNP PC	CONS.EXP.		SOCIAL EXP.			HEALTH			EDUCATION			SOCIAL WELFARE		
	'000		PC	%GNP	PC	%GNP	%CONS.EXP.	PC	%GNP	%CONS.EXP.	PC	%GNP	%CONS.EXP.	PC	%GNP	%CONS. EXP.
1963	18,931	2,429	712	(29.3)	304	(12.5)	(42.7)	65	(2.7)	(9.1)	115	(4.7)	(16.1)	124	(5.1)	(17.4)
1965	19,644	2,818	826	(29.3)	370	(13.1)	(44.8)	85	(3.0)	(10.3)	130	(4.6)	(15.7)	155	(5.5)	(18.8)
1967	20,378	3,259	1,085	(33.3)	516	(15.8)	(47.6)	114	(3.5)	(10.5)	208	(6.4)	(19.1)	194	(6.0)	(17.9)
1969	21,001	3,506	1,253	(33.0)	662	(17.4)	(52.8)	165	(4.3)	(13.2)	264	(6.9)	(21.1)	233	(6.1)	(18.6)
1971	21,568	4,379	1,663	(38.0)	853	(19.5)	(51.3)	227	(5.2)	(13.7)	303	(6.9)	(16.9)	323	(7.4)	(19.4)
1973	22,043	5,362	2,133	(39.8)	1,083	(20.2)	(50.8)	275	(5.1)	(12.9)	331	(6.2)	(15.5)	477	(8.9)	(22.4)
1975	22,697	7,285	3,164	(43.4)	1,576	(21.6)	(49.6)	394	(5.4)	(12.5)	470	(6.4)	(14.9)	712	(9.8)	(22.5)
1977	23,272	8,975	3,908	(43.6)	1,957	(21.8)	(50.1)	472	(5.3)	(12.1)	595	(6.6)	(15.2)	890	(9.9)	(22.7)
1979	23,747	11,015	4,721	(42.9)	2,303	(20.9)	(48.7)	566	(5.1)	(11.9)	692	(6.2)	(14.7)	1,045	(9.5)	(22.1)
1980	24,042	12,139	5,422	(44.7)	2,577	(21.2)	(47.5)	621	(5.1)	(11.6)	759	(6.3)	(14.0)	1,197	(9.9)	(22.1)

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[6] Government consolidated expenditures in the areas of health, education and social welfare as defined by Statistics Canada in Catalogue No. 68-202, Consolidated Government Finance.

[7] Consolidated Expenditures - Total government expenditures, all government levels, according to the definition of Statistics Canada in Catalogue No. 68-202, Consolidated Government Finance.

[8] Consolidated expenditures of a social nature include expenditures in the areas of health, education and social welfare in the very broad sense, according to the definition of Statistics Canada in Catalogue No. 68-202, Consolidated Government Finance.

If we look at the evolution of three variables - the GNP as an indicator of the collective wealth, government expenditures as an indicator of the importance of the state in the economy as a whole, and consolidated expenditures of a social nature as an indicator of the dimension of the welfare state - we observe an undeniable slowdown of social investment on the part of the state.

The expenditures of all governments continued to grow more rapidly than the GNP between 1969 and 1980. During this period the proportion of government expenditures rose from 33 per cent to 44.7 per cent of the GNP, whereas the two variables are lower on a per capita basis. The proportion of all government expenditures attributed to social expenditures levelled off in 1969, representing 52.8 per cent. In 1980, they represented just 47.5 per cent. It can therefore be stated that although the state continues to monopolize an even greater portion of the collective wealth, government expenditures in the social sector are subject to stricter control and their relative importance is diminishing.

The same observation may be made about the evolution of expenditures in the health, education and social welfare sectors. In 1980, per capita government expenditures for health represented the same proportion of the per capita GNP as in 1973, or 5.1 per cent. Compared with the evolution of all government expenditures, however, the proportion of health expenditures dropped. While they represented 13.7 per cent in 1971, by 1980 this had decreased to 11.6 per cent.

The evolution of public expenditures for education seems even more significant. In 1969, 21.1 per cent of government expenditures were earmarked for education; this rose to 14 per cent in 1980. In 1980, the proportion of the GNP earmarked for education fell short of the 1967 level.

Although expenditures on social welfare grew in relation to the GNP per capita they remained more or less stable in relation to government expenditures: 22.1 per cent in 1980; as compared with 22.4 per cent in 1973. Even in a period of employment crisis, social welfare expenditures experienced slower growth than did government expenditures.

From these data and other observations it may be said that over the past decade, Canada has generally slowed its rate of investment in the social sector and in that which represents its greatest potential: its human resources. Although there was growth in absolute figures, there was a tendency for the proportion of government funds attributed to social expenditures to drop. In light of these figures, it cannot be claimed that social expenditures during this decade reached unacceptable and unprecedented levels. On the contrary, the expenditures of the welfare state have been, and continue to be very strictly controlled. In proportional terms, governments in 1980 allocated a smaller proportion of their resources than they did in the late 1960s and early 1970s.

The federal-provincial review of social security begun in 1973 represents a period of deadlock insofar as the opportunity to modernize Canada's social programs and adapt them to the changing socio-economic context was lost. With a ten-year setback, it can now be asserted that a number of the problems of the current decade stem from the policy choices made during that period.

This review made possible marginal improvements to Family Allowance, the Canada and Quebec Pension Plans, Old Age Security and the Guaranteed Income

Income Supplement. But the failure of federal-provincial negotiations on a formula for the funding of government social services and, in particular, the inability to establish a real support and income supplement program for low-income workers, have thwarted the modernization, integration and coordination of our income transfer and social service systems and their development in relation to an employment strategy.

Since 1973, the federal government has introduced a series of legislation concerning the social sector; nevertheless, but for a few exceptions already mentioned, the purpose of this legislation has generally been to control, if not to reduce, government expenditures. The evolution of unemployment insurance and funding mechanisms for health and social services over the past ten years effectively illustrates the situation.

Unemployment insurance: With the amendment of the 1971 Unemployment Insurance Act, the eligibility criteria were broadened: the minimum eight-week required period of employment and contributions was reduced to 8 weeks from 20. Furthermore, the system is virtually universal; 96 per cent of the labour force is insured, as compared with 61 per cent prior to reform. The benefit rates have been increased; a benefit recipient with dependants may receive up to 75 per cent of their former wage. Also, the new Act includes an element that goes beyond the strict notion of unemployment and ensures coverage of employees who become ill or pregnant. This element is funded by the general tax system. The effects on expenditures were immediately felt: expenditures on unemployment insurance doubled between 1971 and 1972. They rose from $891 million in 1971 to $1,784 million in 1972. Following the recession of 1975, and with the steady rise of unemployment levels, three series of cutbacks were brought into effect, the first in December 1975, the second in July 1977 and the third in December 1978. Each of these initiatives was intended to limit eligibility and reduce benefits, which were brought down to 60 per cent of the average former wage. The increase in unemployment insurance expenditures since 1975 is attributable not to improvements in the program but to the increase in the number of unemployed.

The increase in unemployment rates and the average period of unemployment combined with stricter eligibility criteria caused the number of applicants for social assistance to climb appreciably. The result has been greater pressure on the provincial governments administering social assistance programs and financing 50 per cent of the costs. As the level of social welfare benefits has not risen as quickly as inflation, the situation of Canada's poor has deteriorated with the job crisis.

A study of the federal governemnt's 1984 budget papers reveals that the Minister of Finance foresees a significant increase in the number of social assistance recipients by the end of this decade.

Extract from Table 3.5[9]
Summary of the Social Affairs Envelope

	1983-84	1984-85	1985-86	1986-87	1987-88
(Federal) Unemployment Insurance Contributions	2,854	2,709	2,495	2,297	2,168
Canada Assistance Plan	3,431	3,696	3,975	4,252	4,303

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[9] Marc Lalonde, Minister of Finance, The Fiscal Plan, February 1984, Government of Canada, Table 3.5, p. 25.

It is evident that the federal government foresees a reduction in its contribution to unemployment insurance, at the same time as it plans to increase its social assistance contribution. From this we can assume that the federal government expects that quite a number of unemployed will exhaust their right to benefits and then come under the assistance plan.

The Canadian Council on Social Development has already drawn the attention of government to the alarming situation of prolonged unemployment, that is a period of unemployment that extends beyond one year or more for a given individual. Between February 1982 and February 1984, the number of long-term unemployed increased by 105 per cent, from 172,000 to 352,000. The rise in long-term unemployment increases as the age rises.[10] During 1983, a record 765,000 unemployed exhausted their right to benefits. A great many of these must turn to social welfare. It is estimated that in 1983-84, about 1,850,000 Canadians received social welfare benefits. Social welfare expenditures nearly doubled, increasing from \$1.9 billion to \$3.4 billion.

All observers agree that the number of poor is growing and that poverty in the 1980s is fuelled primarily by unemployment. It is by struggling against inflation and through aggressive policies to create and maintain employment that Canadians will be able to tackle the principal source of social and economic inequalities in this decade.

Sources of funding: In addition to measures directly affecting the redistribution of income, social policies include the provision of services, such as social, health and educational services. The Constitution places the provision of services under provincial jurisdiction, but the federal government participates in the funding of these services under federal-provincial agreements. Over the past decade, following the federal-provincial review of social security, the sources of dunding for services were altered considerably, particularly by the federal act respecting tax agreements between the federal government and the provinces and the financing of established programs. As with income security programs, new sources of funding have led to reduced spending on the part of the federal government, with the effects being felt by the provincial governments and translated into reduced budgets, cutbacks in services and a poorer quality of service.

Government social services continue to be largely underdeveloped throughout the country. They are financed by the Canada Assistance Plan, the conditions of financing are related to the plan's general framework, which provides financing on condition that recipients are "in need or likely to become in need".

This formula does not, therefore, promote the universality of access to services but rather selectivity. One of the outcomes of the federal-provincial review of social security was the introduction of a federal act to provide new and independent means of funding personal social services. This act, introduced in the House of Commons in 1977, made provision for block funding for new, preventative social services. The additional financing to be provided by the federal government for the first year of the plan's operation was \$225 million. The funding formula made provision for the gradual reduction of the discrepancies in per capita expenditures allocated for social services.

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[10] Statistics Canada, The Labour Force, (71-001 Monthly).

This act, however, was never adopted because of a lack of agreement between the federal government and the provincial governments concerning their respective areas of jurisdiction and competence. The provinces felt the act would represent the further encroachment by the federal government in an area of provincial jurisdiction. As the poor are the main consumers of government social services, they are the very first to feel the impact of the underdevelopment of these services.

The health and post-secondary education sectors were the subject of new formalized agreements in the 1977 act concerning the financing of established programs. Cost-sharing programs provided for the equal sharing of costs by the two levels of government. The new act established a foreseeable limit to federal government contributions depending on tax revenue and according to an indexing formula based on the evolution of gross national expenditures. Having acquired greater freedom in the planning and administration of health programs, the provinces found themselves alone in the face of escalating costs short of what the federal act had made provision for. One of the main problems resulting from this agreement was the fact that the federal contribution was independent of the evolution of costs.

This led to considerable tension between the two levels of government, and it has been particularly in the health sector that controversy has arisen to date. Because of funding difficulties, some provinces have introduced billing measures for certain services and physicians have been authorized to over-bill in relation to the fees stipulated for health insurance. These practices attack the underlying principles of the national health insurance plan. In 1984, the Parliament of Canada voted a new Canada Health Act, reaffirming the five principles of the plan (universality, accessibility, transferability, completeness of protection and public administration) and making provision for financial penalties for those provinces that collect "a tax on illness" in one form or another.

This act was not, however, adopted in a context of federal-provincial co-operation. On the contrary, it falls within a federal-provincial falling-out which has not yet healed. Insofar as the real problems the provinces face are not acknowledged, we can expect a gradual deterioration of the quality of health care in Canada.

In 1980, the Canadian Council on Social Development was already calling for federal-provincial cooperation :

> This increasingly inequitable and unacceptable situation must not be allowed to continue. The federal government and the provinces share a joint responsibility, under the national health insurance legislation, to ensure adherence to the principles underlying medicare. The Council believes that this responsibility can only be discharged through real cooperation between the two levels of government.[11]

Rather than allow this falling-out to continue, we should find means of more directly involving consumers; we should establish a consensus as to priority needs and depolarize the problems while developing a more effective, more humanized health care system. A recommendation made some time ago by the Council that a National Council of Health be established assumes its full meaning within this context. An independent national agency bringing together the various levels of government, health professionals, trade union representatives and representatives of the users of health services would enable mechanisms for ensuring cooperation, rather than confrontation, to be perfected, and doubtless make it possible to preserve the fundamental principles of health insurance.

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[11] The Canadian Council on Social Development, Social Policies for the Eighties, p. 68.

These federal-provincial quarrels over jurisdiction must not blind us to the fact that the total financial commitments of all governments have decreased with respect to both health and post-secondary education. In addition, the heavier burden of the provincial governments leads to regressive elements since premiums and other means to which the provinces may resort are less progressive than income taxes. Once again, these changes can add to the burden borne by the poor.

o Social services for Native children: The matter of social services for Native children discussed in the symposium of the Prairies region raises a number of questions concerning the social policies system. The provision of social services usually falls under provincial jurisdiction while, as provided for by the Constitution, the federal government assumes the responsibility for Native policies. As social services intervene in the private and domestic life of individuals, they have a certain impact at the cultural level.

The main criticism of the First Nations with respect to social services managed by institutions belonging to the dominant culture, is that there is a lack of sensitivity to, and understanding of the cultural reality of Native peoples. It seems that the representatives of the dominant culture need to recognize the importance of cultural differences and accept the fact that the cultural integrity of Native peoples cannot be assured in the long term without the participation of members of this culture and accountability to Native representatives.

It is acknowledged that Indian children are nearly five times more likely to be placed outside their natural environment than all other Canadian children. While the placement rate is below 1 per cent for the child population on the whole, it is 4.6 per cent for registered Indian children. This represents 10% of all children in the child welfare system, although Indian children constitute only 2 per cent of the total child population of Canada. Over 70 per cent of registered Indian children were adopted by non-Indian families in 1975. As at December 31, 1979, nearly 30 per cent of registered Indian children were living off reserves.[12]

Because of the disproportionate placement rates for these children, and because they are either adopted or placed mostly outside their own cultural environment, with non-Indian families, the present system does more harm than good to those it is intended to help. In addition to recognizing the system's harmful effects on the children, their families and communities, there should be some acknowledgement of failure in situations where these children eventually lose their identity, or where their ties with their culture of origin are profoundly altered. Only fundamental changes aimed at ultimately bringing about the control by Native peoples of the orientation, administration and provision of services can succeed in changing the current situation. Such changes entail modifications to legislation, policies and practices. In the short term, every means must be taken to ensure the increased participation of Natives in the provision of child welfare services directed at Native children, families and communities.

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[12] These figures are taken from Patrick Johnston's book published in 1983 by the Canadian Council on Social Development, Native Children and the Child Welfare System.

3. The Operation of Social Programs

For the purpose of this report, certain income security programs have been selected to illustrate the operation of the welfare state in Canada and describe its impact on the population. The programs selected are those that apply to families with children and those designed to provide support for elderly retirees. These programs are of considerable social significance; they reach a large proportion of the target population and have major redistributive impacts. On the whole, they illustrate the involvement of both levels of government and the diversity of the means of intervention available to the State.

Three types of programs or measures affecting family income will be discussed: family allowance, child tax credits and tax exemptions.

o Family allowance: At the federal level, this program is one of universal transfer to families with children. It covers children under 18 years of age and the benefits are generally paid to the mother or a recognized surrogate. The standard monthly rate is $29.95 per child in 1984. At the start of the current year, 6,621,616 children in 3,636,266 families were receiving allowances. They are taxable according to the tax scales for personal income taxes. In 1982-83, governments recovered $560 million through income taxes, which corresponds to 25 per cent of disbursements. In 1983 and 1984, indexation to the consumer price index was suspended and set at 6 per cent and 5 per cent respectively; indexing will not be fully reinstated until 1985. Federal expenditures in 1983-84 for family allowances were $2.3 billion, representing an average annual disbursement of $640 per recipient family.

Although the family allowance is primarily a federal government program, the provinces can vary the rates. For example, in Alberta, the rate per child varies according to the age of the child, and in Québec, it varies according to the age of the child and the size of the family.

In addition, the Québec government administers its own family allowance program. These are paid separately from federal family allowances, go to children under 18 years of age, and vary according to the size of the family. In 1983, the monthly family allowance rates for Québec were as follows:

$7.52	for the first child
$10.05	for the second child
$12.55	for the third child
$15.04	for the fourth child and any additional children.

In 1983-84, 1.6 million children in 937,684 families received family allowances from the Quebec government. Program disbursements amounted to $183 million, an average of $195 a year per recipient family. Although family allowances are not taxable by the Québec government, the federal government taxes Québec family allowances for children aged 16 and 17 years.

The Government of Québec provides a monthly allowance of $86.46 in 1984 for children whose activities are seriously limited because of a physical or mental disability. This program, which cost $11 million, benefited 11,683 children in 1983-84.

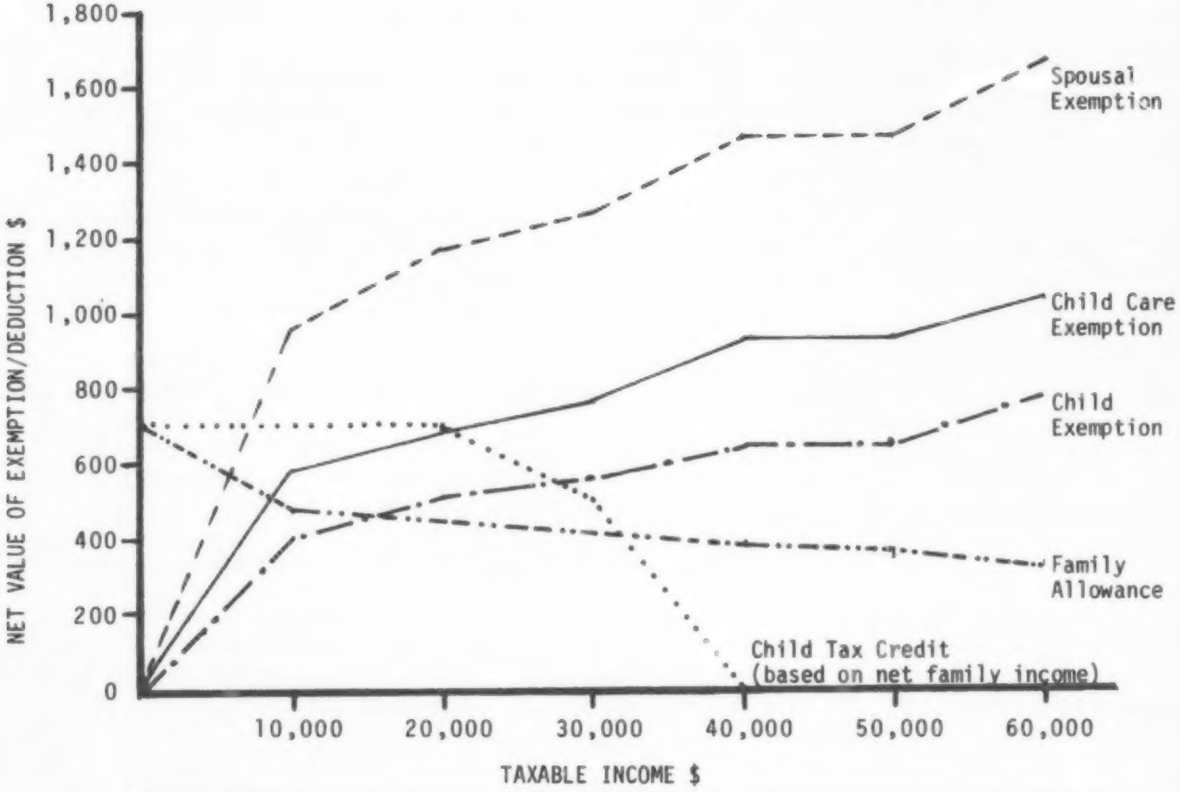
Prince Edward Island also administers a family allowance program. The Manitoba and Saskatchewan governments have each set up a family assistance program, with the costs for that portion of the program which meets the cost-sharing criteria being shared by the federal government under the Canada Assistance Plan.

The impact of family allowances is nevertheless reduced or cancelled out for families receiving social assistance under provincial programs. The provinces take the family allowance amount into account in the rate of social assistance. The result is that the neediest families are penalized; a recovery rate of up to 100 per cent can be applied to them.

o Child tax credits: Eligibility for family allowances enables families to benefit from a child tax credit, which is a federal measure of selective transfer based on income review and administered as part of the overall tax system. This program benefits low- and medium-income families. The maximum benefit for 1983, paid in 1984, was $343 per child to a net family income limit of $26,330. The benefits and ceiling are indexed to the consumer price index. For the 1982 taxation year, total expenditures were $1.45 billion, distributed to 2.6 million families representing 5.1 million children. The number of tax credit beneficiaries represents 77 per cent of children benefiting from family allowances. From this it becomes evident that over three-quarters of Canadian children live in families whose income is below 70 per cent of the average family income. As for family allowances, provincial social assistance programs take the child tax credit into account.

o Tax exemptions or deductions: For a more accurate representation of government measures for families, it is useful to consider personal exemptions, the married exemption, child exemption and tax deductions such as the deduction for child care expenses. For the 1982 taxation year, these exemptions or deductions cost about $2.5 billion in lost tax revenue. The married exemption allows for a deduction of $3,300 in 1983, the exemption for dependent children allows for a deduction of $710 per child and the deduction for child care expenses was set at $1,000 per child with a family maximum of $2,000. Figure I is a graphic representation of the impact of these various measures according to personal income level.

FIGURE I
Comparison of tax benefits, 1983, according to income level[13]



EXEMP/DEDUC.	FAMILY INCOME LEVEL						
Marginal Tax Rate:		(29%)	(35%)	(38%)	(45%)	(45%)	(51%)
	0	10,000	20,000	30,000	40,000	50,000	60,000
Spousal Exemption	0	957	1,155	1,254	1,485	1,485	1,683
Child Exemption	0	412	497	540	639	639	724
Family Allowance	684	486	445	424	376	376	335
Child Tax Credit	686	686	686	502	2	0	0
Child Care Deduction	0	580	700	760	900	900	1,020

Source: Revenue Canada, 1983 Income Tax Guide.

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[13] These figures have been compiled for a family of two adults and two children (under 16 years of age), assuming it takes advantage of the standard exemptions and deductions.

On assessing the impact of this series of measures, it is observed first that, on the whole, they do not benefit primarily the poor. It is therefore quite erroneous to believe that social measures are destined first and foremost for the poor. On the whole these five measures are of greater benefit to individuals with above-average incomes.

Three of these five measures, the tax exemptions and deductions, are clearly regressive, that is, the benefits increase as the level of income increases.

In light of these observations, the debate surrounding the universality of family allowances seems to be a false one. The question is not whether family allowances would benefit the poor more if they were to become selective, or whether a portion of the amounts currently allocated to family allowances should be transferred to child tax credits. The question is first and foremost one of correcting the overall regressive nature of these measures by eliminating or reducing the tax exemptions and deductions.

The additional revenue could be redistributed through family allowances and child tax credits. The Canadian Council on Social Development continues to promote family allowances as the main vehicle of redistribution to families, because of their universality and because they are sufficiently progressive. Family allowances are monthly, contrary to the child tax credit, which is annual and therefore not very practical for low-income families.

Programs geared towards older retired people include Old Age Security, the Guaranteed Income Supplement, Spouse's Allowance, the Canada and Québec Pension Plans, and Registered Retirement Savings Plans.

o Old Age Security: Old age pensions are paid to those 65 years of age or older who have resided a minimum number of years in the country. It is a federal plan of universal transfer with uniform benefits. Indexation has been frozen at 6 per cent in 1983 and at 5 per cent in 1984. As with family allowances, it will be reindexed to the consumer price index commencing in 1985. In April 1984, the maximum monthly benefit was $266.28; a total of 2,486,086 people received Old Age Pension benefits, of whom only 25,135 were receiving a partial pension. It is estimated that in 1983-84, Old Age Security payments will reach $7.6 billion.

This pension, owing to its universal character, is an acquired right that should, in principle, lead to a redistribution of the collective wealth to the elderly. It is notable that in 1984, Old Age Security was about 14 per cent of the average wage index in industry, whereas 20 years ago it represented 20 per cent, which considerably reduces the impact of Canada's only universal transfer program for the elderly.[14]

o Guaranteed Income Supplement: This is a selective transfer program that corresponds to a social assistance measure for the elderly who are in need. The older the person, the better their access should be to the Guaranteed Income Supplement. In 1981, 55.8 per cent of all recipients of Old Age Security benefits were receiving the Guaranteed Income Supplement; between age 65 and 69, the percentage was about 48.3 per cent, rising to 78 per cent for persons over 80 years of age.[15]

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[14] Report of the Parliamentary Task Force on Pension Reform, House of Commons, Ottawa, p. 141 - Appendix D, Dissenting Opinion.

In April 1984, the Guaranteed Income Supplement table was as follows:

GUARANTEED INCOME SUPPLEMENT[16]

Categories	Monthly Rate	Ceiling
Single	267.33	6,432
Married (2 pension recipients)	206.11	9,936
Married (1 pension recipient)	267.33	16,059
Married (1 pension recipient and 1 spouse's allowance)	206.11	14,208

In January 1984, 1,247,654 retired persons were receiving this supplement at a total cost to the federal treasury of $2.55 billion. These benefits will increase by $50 per month for the 1984-85 fiscal year for elderly people living alone. This measure, combined with Old Age Security, will ensure a minimum pension of $600 a month to these individuals and place them at the poverty threshold. Elderly women living alone will be the principal recipients. This additional assistance will cost $460 million annually.

The increase in the Guaranteed Income Supplement ensures a more respectable minimum for the neediest retirees. But it should be remembered that this is a social assistance measure and that the choice made by the government brings us one step closer to selectivity. It is difficult to oppose a measure which provides material assistance to thousands of poor elderly people, but we must question the long-term direction this choice represents.

o Spouse's Allowance: This allowance is a federal measure of selective transfer allocated to anyone who is 60 to 64 years old and the spouse of an Old Age Security recipient. In January 1984, 88,000 persons will benefit under this measure. The cost of the program was $236 million in 1983-84.

o Provincial supplement programs for the elderly: a number of provinces, including British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and the Northwest Territories have developed programs of assistance for the elderly that correspond to the notion of selective transfers. In 1977-78, these provincial programs represented 3 per cent of government transfers destined specifically for the elderly.[17]

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[15] Government of Canada, Survey of Old Age Security and Canada Pension Plan Retirement Benefit Recipients, Health and Welfare Canada, Ottawa, November 1983, Table A1.

[16] These figures were provided by the Policy, Liaison and Development division, Income Security Programs, Health and Welfare Canada.

[17] Canadian Intergovernmental Conference Secretariat, The Income Security System In Canada, op. cit., p. 38, figure 2.

o The Canada and Québec Pension Plans: Both these plans are social assistance plans administered (1) by the Québec government for the citizens of that province and (2) by the federal government for the citizens of the other provinces and the territories. They are funded by employee and employer contributions, and the benefits are paid to the contributors upon retirement or should they become disabled. In 1983 the Canada Pension Plan disbursed a total of $3.5 billion to about 1.6 million retirees and the Québec Pension Plan paid out $1.2 billion to 490,000 recipients.

These government pension plans are one of the pillars of the system of income redistribution to the elderly. Nevertheless, one of the main problems is that these plans are not designed to replace more than 25 per cent of pre-retirement earnings. During the very long review process of the pensions system in Canada, a number of recommendations were made to have the proportion of pre-retirement earnings replaced increased by 35 per cent to 50 per cent. It appears from the recommendations of the Minister of Finance that the federal government has no intention of moving in this direction; it prefers to act on private pensions and provide tax incentives to encourage Canadians in the high-income bracket to ensure themselves of better retirement incomes in the future.

At the same time, the federal government announced its intention to improve the Canada Pension Plan for spouses. These measures will benefit primarily women who, as a group, have always been particularly disadvantaged with respect to retirement income. Two measures are especially worthy of mention, given their impact:

"Pension credits earned during a marriage will be split fifty-fifty on marriage breakdown, unless this right is waived by both spouses in writing."

"Fifty-fifty credit-splitting will also become automatic when the younger spouse reaches 65. Each partner will have retirement benefits in his or her own right in recognition of their contribution to the marriage."[18]

o Private pension plans or retirement tax incentives: While 11 million Canadians contributed to the CPP/QPP in 1981, representing almost all employees, only 50 per cent of this number contributed to a private pension plan or retirement savings plan. In 1982 in Canada, there were at least 14,000 private pension plans, and the assets held by private pension or retirement savings plans were in the order of $160 billion.[19] This represents nearly $30,000 in assets on a per capita basis for contributors. Private pension plans contain major drawbacks that have been pointed out on numerous occasions. Only one-half of men and one-third of women on the labour market participate in such plans. Most of these plans are non-transferable, are not usually protected against inflation, and when the employee changes jobs, they have difficulty keeping the protection they have acquired. Furthermore, survivors' benefits often reduce the benefit level of the plan participant.

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[18] Marc Lalonde, Action Plan for Pension Reform, Budget Documents, February 1984, p. 14.

[19] These figures have been taken from the budget documents accompanying the federal budget of February 15, 1984.

Despite the drawbacks of private plans, some of which will be corrected through the reform, the principal pillar of pension reform seems clearly to be increased tax incentives for retirement savings. Financial expenditures in this area cost both levels of government over $5 billion in 1983. The Minister of Finance predicts additional financial expenses in the order of $300 million yearly once reform has been firmly established.

Retirement tax incentives are one measure of which only higher-income taxpayers can take full advantage. If pension reform comes about as proposed, the current balance between public and private programs will be upset in favour of private plans. The universality of programs is giving way to selectivity. The emphasis the government intends to place on tax incentives to encourage the setting up of private pension funds aggravates the most regressive aspects of the pension system.

4. Summary

In summary, a brief study of the evolution of the welfare state in Canada and of the operation of certain income security programs enables us to identify some basic trends which have been evident for some years and bear special mention. While all poverty and unemployment indicators are rising, and while the employment crisis is swelling the ranks of the poor, it is notable that since the start of the past decade, the relative importance of social investment is declining, and this trend is growing. Expenditures on welfare state programs in the health, education and social welfare sectors, are increasing at a slower rate than total government expenditures. Governments are devoting a shrinking proportion of their resources to socially-oriented programs. The increase in the number of jobless has led to a gradual tightening of the unemployment insurance program, with the resultant appreciable increase in the number of social welfare recipients.

Since the federal-provincial review of social security, we have been witnessing cutbacks that affect both the volume and the quality of government services to the individual. This is particularly evident in the health and post-secondary education sectors.

The study of certain income security programs destined for families and the elderly reveals a certain tendency of governments to distance themselves from the principle of universality in favour of more selective measures. A number of regressive tax measures run counter to the redistributive effect of income security programs. It is noted that the hidden social welfare system for high-income citizens takes the form of tax exemptions and deductions. These drain the public coffers sufficiently to limit the development or redistributive programs destined to help the poor. Some tax measures cost more than some redistribution programs. For example, retirement tax incentives cost over $5 billion in 1983, whereas the Guaranteed Income Supplement cost $2.5 billion.

This leads us to question the meaning to be given to the crisis of the welfare state. This crisis perhaps does not lie where some would like to see it. Welfare state programs do not appear to drain tax revenue uncontrollably as some critics claim. Does the crisis not lie in the inability of current programs to create conditions favourable to the expression of social solidarity? In the next chapter, we will discuss the welfare state in crisis.

CHAPTER VII

THE WELFARE STATE IN CRISIS

Anyone who, in our day, consults a recent work dealing with social policies in the Western industrialized countries will encounter a widespread notion: that the Welfare State is in crisis. Canada is no exception to this general observation; here, the crisis takes on special nuances, but, on analysis, it is evident that it is ridden with the same fundamental questioning, the same hesitancy, the same contradictions as are to be found in all other advanced industrialized societies.

1. Nature of the Crisis

The theme of the welfare state in crisis is part of a more general theme, that of the widespread crisis the Western capitalist societies are undergoing. This crisis, which leads to a questioning of social policies and a review of their structures, is not restricted to the welfare state, but disrupts the state as a whole. It is the role of the state and of society that is challenged, resulting in a redefinition of what is at stake politically, socially and economically.

Furthermore, the themes of the three conferences on social development to be held in Montreal from July 31 to August 11, 1984, are an eloquent indication of this:

Themes	Organizations
- Survival and Development: Choices and Responsibilites: Challenges for Social Work	- 8th International Symposium, International Federation of Social Workers
	- 22nd International Conference, International Association of Schools of Social Work
- Social Welfare in a World in Crisis: Perceptions and Responsibilities	- 22nd International Conference on Social Welfare

The international economic crisis, which some trace back to 1973, brought in its wake a significant slowdown of industrial production, accompanied by a considerable increase in bankruptcies of individuals and of small- and medium-sized businesses. There are 18 million unemployed in the OECD countries, nearly 2 million of whom are in Canada. Compared with 1981, the number of commercial bankruptcies rose by about 40 per cent in 1982. Economic growth gave way to stagnation and even to decline, the 1982 year being described as catastrophic or "at the lowest ebb". Real production in the Canadian economy dropped by about 2.5% in 1982 in relation to the previous year. Inflation peaked in 1982 (12%) and unemployment rose to levels unprecedented since the 1930s. The national average stood at 12.7 per cent. Regional variations, particularly in the country's eastern region, where official levels climbed to 20 per cent and even higher in some communities and for certain categories of the population such as youth and older workers, indicate the seriousness of the problem.[1] The uncertain recovery that followed can only lead to confusion here in Canada, when we recall the governments' budget deficits, the weakness of the Canadian dollar and the unemployment rates that have not been decreased appreciably. It appears, as was the case with the recovery that followed the 1974-75 recession, that it is too mild to bring down unemployment. The most optimistic outlooks hint at the possibility of 1.5 million unemployed annually by the end of this decade.

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[1] The preceeding statistics were taken from the 19th and 20th annual reviews of the Economic Council of Canada, entitled On the Mend (1982) and Lean Times: policies and constraints (1983) respectively.

Everyone has their own perception of the crisis, depending on their social position and how the crisis affects their daily life. Thus, small businessmen who have gone bankrupt, workers who are losing their jobs, homeowners who are unable to pay their mortgages, beneficiaries of social programs and income redistribution, social workers, administrators of programs or services, and senior government management all see the often harsh effects of economic and social change, and the repercussions on social policies, in their own way. This perception of reality is certainly accurate as it is based on the effects and consequences experienced by those first affected: those who pay the price. The effects of the current crisis on social programs nevertheless offer only a partial view; we must go beyond the symptoms to understand the more far-reaching causes, beyond the outward signs of the crisis - inflation, budget deficits, financial restraints, budget cutbacks for social programs, bankruptcies, energy problems, international tensions - to discover its meaning. What is it in our societies that leads us to such a questioning of social policies?

The crisis we are experiencing is not only a social crisis, it is a very profound world-scale structural and cultural crisis; and the transformations it calls for will extend over a number of years. It is not only a question of analysing and defining the phenomena accompanying the crisis; it is especially important to understand the enrichment and opportunities it represents. We must identify these changes the crisis is demanding; the crisis can be appreciated insofar as it forces us to place things in perspective. The widespread awareness of the crisis is cause for hope, because it is an historic time for challenging the practices and institutions of the past, as well as a time for choosing our direction for the future.

This crisis, that some like to term cyclical, a period of transition between two waves of technology, assumes rather the features of a structural crisis; the transformation is profound and fundamental. Its acute outward symptoms are indisputably linked to the transformation of the labour market and to its immediate outcome, unemployment. The transformation of the labour market at the national level is consistent with two main sources of change: the restructuring of the world economy and accelerated technological change.

o Technological change: A number of observers point out that our industrial structure is undergoing fundamental change and that we are experiencing the dramatic consequences of the transition to a post-industrial society. Technological change is so rapid and so profound, producing the crisis effect, that Alain Touraine has no hesitation in speaking of the cultural revolution. The technological revolution will transform us from a consumer society, a machine-producing society, a society that draws its wealth from the processing of raw materials, to a computerized society, and a communications society. What will become important is not the goods produced, but the ability to "program, produce, process and disseminate information". The strength of a nation will be measured not by "per capita energy consumption," but by "the quality and intensity of social relationships."[2] The cultural revolution we are to undergo may represent a qualitative improvement where automation, teleprocessing and microprocessors will determine our collective future.

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[2] As noted by Michel Bosquet in "Alain Touraine: la révolution culturelle que nous vivons", Le Nouvel Observateur, January 6, 1979.

The computerization of society, and particularly the spread of microelectronics, is bringing about major changes in the whole area of labour. A number of questions arise, however, with regard to the rate of change. The faster change is introduced, the faster jobs will disappear. A number of job categories will be seriously affected, inevitably disrupting the organization of labour. We will witness, then, not only a reduction in the number of jobs, but a change in their quality. For the first time, it is estimated that just 25 per cent to 30 per cent of the labour force will be required for the processing of raw materials and the production of goods. For the first time, the tertiary sector, the services sector, and particularly the data processing and distribution sector, should account for most of the labour force. According to some experts, the proportion could reach as high as 70 per cent or 75 per cent. It is the whole concept of work and production that is changing. We cannot, however, lose sight of the fact that these changes will mean not only a considerable increase in productivity, but also new growth and a change in the nature of production. These changes will inevitably produce an increase in the collective wealth. The society of tomorrow, the society we are becoming, will be wealthier, but it will have to find a way of distributing the wealth on a sufficiently fair basis to maintain a high level of social consensus; otherwise, the form of democracy we know in our societies will be placed in jeopardy.

The most pressing needs of our societies do not have to do with the production of goods. We do not need any more cars, television sets, roads. We do not need to increase our personal incomes; in fact, they will probably drop in real terms over the coming years.

Rather, we need to improve the quality of life to improve our recreation, our education, our health and our social services. We need a more effective redistribution of income and greater equality with regard to access to the arts, culture, recreation and information.

Throughout this crisis, we must develop more egalitarian societies, greater social solidarity within nations and among states. We must alter our concept of production. Child care must become as important as automobile production; work in support of life functions must be deemed to be as productive as the production of consumer goods.

A society of services in which man would be largely free from the tasks of industrial production offers an opportunity to direct the potential of human labour into cultural enrichment and the satisfaction of social needs. The cultural revolution we are heading for concerns the direction of society, the meaning to be given to development, the control people must have over their own lives.

This technological transformation represents a qualitative leap forward; it is full of promises for the future. But we do not yet live in the future; we are in the present where the transformations have still to be effected. The current problem is not so much that of knowing where we will be in 50 years, but of knowing how we will get there.

What meaning is to be given to development? What interests will take precedence? At what rate will the transformations come about? At what cost?

What countries will bear the costs? What groups, what regions, what social classes will be favoured?

Not all countries, not even the industrialized nations, will participate equally in the technological revolution. Canada, because of its dependency on the American economy and the nature of its industrial structure, is facing a real challenge.

Under the pressure of technological change, domestic economies are adapting, and this affects the organization of the labour market. In addition, we are witnessing a transformation of the rules of international competition and a restructuring of the world economy.

o Reorganization of the world economy: According to Michel Godet,[3] the French futurologist, the current crisis is not transitional but structural and will be followed by a number of others. In his view, the source of the current crisis may be traced back to at least the early 1960s. The energy problem and the monetary crisis are not the causes but rather the effects. He claims that in 1955, the GNP of the United States represented 57 per cent of total world production. Twenty-five years later, in 1980, it represented just 37 per cent and no national economy has been able to fill the void left by the United States. The economic and military supremacy of the United States following the Second World War has gradually changed to produce multinational market forces, which have become autonomous through the working of American investments abroad. "It could be said that American industry abroad is the third world economic power in that 25 per cent of international trade is in reality an internal exchange between two foreign subsidiaries of the same multinational firm."[4] This proportion of international trade escapes the control of the various States. This capital, and the way in which it is managed, exerts considerable influence on the policy choices of countries whose economies are weaker and who base a significant degree of their development strategy on foreign investment, as is the case with Canada.

The importance of multinationals in the world economy calls for new integration and new rules in the game of international competition. The multinationals intend to maximize their profits at the international level; they geographically scatter and change their production sites in an international labour market that tends increasingly to be dichotomous.

There is a growing tendency to relocate the primary and manufacturing sectors in Third World countries where the cost of labour is very low and labour organizations do not yet have the impact they do in the industrialized countries.

Furthermore, the development of new technologies takes place in the industrialized countries, increasing the demand for specialized labour. Deputy Minister Pierre Sarault, in his lecture to the Québec consultative symposium, referred to this phenomenon when he stated:

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[3] La Presse, "La crise apporte avec elle l'espoir d'un changement", 12 September 1983, and Demain les crises, Hachette, 1980.

[4] Godet, M., op. cit., p. 44.

"Certain Third World countries are acquiring a capacity for the low-cost manufacture of finished products that compete on the international market with similar goods manufactured at far higher cost by the industrialized powers. For many standard technology products, the producers in the industrialized countries cannot rival, with respect to production costs, these competitors who have achieved a degree of efficiency in the manufacture of these goods... The fundamental issue for the more advanced nations... is to determine how fast and by what practical means they can cut back their operations in these areas and transfer the resources concerned to more appropriate branches of activity."

Both these factors, the acceleration of technological change and the reorganization of the world economy, are the main sources of pressure on the organization of labour at the national level. How do they come together in Canada?

2. Canada in the Face of the Crisis

Since the first widespread recession of the post-war era, and particularly of this decade, the most concrete evidence of the difficulties experienced by the Canadian economy is the erosion of purchasing power and the continuous rise in the unemployment level. Much emphasis has been placed during this period on the growing number of bankruptcies of small- and medium-sized businesses. This often obscures the fact that big corporations have been enjoying a period of prosperity that is reflected in increased profits, with the exception of the 1981 and 1982 years when profits dropped slightly. According to a compilation by the Confederation of National Trade Unions, the profits of major corporations increased yearly an average of 17 per cent between 1972 and 1978.[5]

According to Statistics Canada, the 500 largest corporations held 65.7 per cent of assets, 66.2 per cent of profits and paid 82.1 per cent of all payments to nonresidents in 1978. Of these large corporations, 54.8 per cent were foreign-controlled.[6]

In this same report, but for 1981, Statistics Canada writes:

> Compared to smaller firms, corporations with assets of more than $10 million continue to grow substantially faster in terms of assets, equity and sales. They experienced a growth of 18.6 per cent in assets, 13.6 per cent in equity, 14.0 per cent in sales, whereas smaller firms increased their assets by 7.6 per cent, equity by 4.0 per cent, sales by 9.0 per cent. Profits declined by 5.7 per cent for larger corporations, while those with assets less than $10 million fell by 9.2 per cent respectively.[7]

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[5] Wassif, Kamal. Pour le droit au travail, Research Division of the CNTU, 1978. These compilations are based on Statistics Canada data.

[6] Statistics Canada, Corporations and Labour Unions Returns Act, Part I - Corporations. No. 61-210 Annual.

[7] Statistics Canada, No. 61-210, Report for 1981, p. 25.

Canada's collective wealth has therefore continued to grow, with the profits of major corporations being maintained at respectable levels, but we are witnessing a phenomenon of declining investment. "The profits earned during this period were not used to increase significantly Canada's production capacity and bring down unemployment."[8]

If the profits are not reinvested in Canada's economy it is because they are reinvested elsewhere where the cost of labour is far lower. This is quite compatible with the reasoning described earlier of the dichotomy of the international organization of labour. The decline in real investments in Canada is evident particularly in the low technology, labour-intensive manufacturing sectors. The correlation is easily seen between the decline in investment and the steady increase in unemployment. The crisis takes the form of structural and chronic unemployment, fuelled by the stagnation of the manufacturing industry, redundancy and plant shutdowns. Furthermore, there is little expansion in the new technologies sector.

With the acceleration of the crisis in Canada, criticism of social programs has become more persistent, and as of the mid-1970s, we have seen a gradual redirecting of social programs and a reduction in the relative extent of government social expenditures.

3. Effects of the Crisis on Social Policies

The social policies implemented during the 1940s, while appropriate for the conditions that prevailed prior to the crisis, are now increasingly questionable. They were based on the premise that widespread economic growth would engender a situation of full employment and a steady increase in income and rise in the standard of living of most of the population. Our society should be one of extensive social welfare based on the individual efforts of most of the population and the expansion of social policies to compensate for personal deficiencies and assume responsibility for individuals incapable, for various reasons, of ensuring their own welfare.

With the deepening of the crisis, however, for the first time in Canada we are seriously faced with overpopulation from the economic and social standpoints and new forms of economic and social hardship arising from unemployment. The appearance of overpopulation derives from profound causes that accompany structural changes, notably the extent of the transformation of businesses, where we see a massive substitution of labour with technological innovations. It is becoming increasingly evident that a large proportion of workers displaced by technological changes will be permanently excluded from the labour market unless there is some change in current policies.

In such a situation, the programs of the Welfare State prove inadequate: they were not designed to serve such a large proportion of the population that is the victim of unemployment nor to act effectively to counter its causes and effects. Faced with such a phenomenon, we should be seeing an intensification of social policies and additional redistribution efforts, but the crisis seems rather to be having the opposite effect under the impulse of the ideology of the new right.

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[8] Wassif, Kamal. op. cit., p. 38.

Whether with respect to monetary policies, cutbacks in social programs, or the fight against inflation, we want to have confidence in the market forces, assuming that the answer to social needs will be better served by the return to laissez-faire, financial incentives and the accumulation of wealth. The ideology of the return to economic individualism and free enterprise runs counter to the ideals of solidarity, equity and justice that are inherent in social policies. Rather than abandon these ideals, they must be intensified. As the technological revolution imposes new concepts of production and productivity, it must lead to a renewal of both the ideals and the instruments of social solidarity. We must progress from the welfare state to the welfare society, where social investment should contribute to a higher quality of life. A society responsible for facing the challenges of the future must transform its social policies in order to find new answers adapted to the emergent conditions, and not just defend what it has achieved.

CONCLUSION

SOCIAL RESPONSIBILITY... TO CHALLENGE THE FUTURE

A responsible society that is able to face the challenges of the future will focus on responding to the fundamental human needs for security, equity and freedom. This objective must continue to direct our choices throughout any change undergone by Canada's system of social policies.

The main criterion for evaluating and orienting society's development process lies in its consequences on the fulfilment of individuals and humane communities. The agents of social policies build a humane community. At the end of this report, we see a need for even greater recognition of the human dimension of the community. Human resources are the main potential of society. A responsible society will be willing to step up its investment in the human potential. This is the main driving force of development.

The social policies that form an integral part of the development process cannot avoid the obligation to contribute to the fulfilment of the collectivity as a whole.

On reading this report, it is noted that since the middle of the last decade, Canada's socio-economic conditions and socio-political framework have evolved considerably. The patriation of the Constitution and the adoption of a charter of rights will considerably modify the conditions under which social programs evolve in the coming decades. It is also noted that since the same period, the struggle against social and economic inequalities has lost ground. Social progress is marking time; the commitment to modernize social policies is lost in the conflicts of interest between the various levels of government, and in the policy choices that generally result in reduced social investment. We must find new inspiration in a social plan that will mobilize the potential of this country's human and physical resources.

The right to work must be the top priority of development. The organization of labour still constitutes the first and main basis for the distribution of the collective wealth. Consequently, it is also the main source of socio-economic inequalities. Much has been said about the evolution of the concept of work; another point that has been made is that work must cease to be perceived as a commodity with its own market that obeys the laws of supply and demand. Work constitutes a social right, like the right to health, education and housing. It is through the exercise of this right that people will participate in production and build their society.

Throughout this report, it has been possible to identify the dichotomization process of society that fuels unemployment. Unemployment has become the main social ill of society; it is the country's most acute social problem. It is through the long-term exclusion of a large segment of the labour force that a marginal, surplus population is created. The struggle against unemployment and the recognition of the right to work are, in 1984, the two essential conditions for attaining a more equitable distribution of resources and for concretely expressing our objectives of solidarity, equity and social justice. The agents of social policy will not allow them to be regarded as idealized and remote notions of a future society. The future does not exist, it is but a potential to be realized; there are only the choices we make today; there is what we produce and what we reproduce; there is what we believe and what we reject.

Among the choices to be made, many participants at the regional symposia advocated the establishment of a policy of full employment to effectively combat unemployment, to distribute the wealth more effectively and to create a more egalitarian society. The choice of such a policy, which represents a radical and fundamental change, may provide the framework within which the right to work will become a reality.

The change represented by the adoption of a policy of full employment lies in abandoning the pursuit of profits characterizing the growth models currently in use in Canada, to the human element of labour. The objective of full employment is emminently social as it is, above all, a policy that accords priority to investment in human resources. This policy has no chance of success without the participation and dialogue of the groups concerned. In addition, the institutions that bring it about must be characterized by flexibility in order to be able to adapt quickly to the changing conditions around them.

The economic and social costs of unemployment are such a factor of collective impoverishment, that the adoption of a policy of full employment would seem to be a condition for the creation of the collective wealth and for a fairer distribution of that wealth. The technological revolution, insofar as it signifies a change in the nature of production and an increase in productivity, is a factor of collective enrichment. The technological trend, however, cannot come about at the expense of the workers. Specific and special policies must be aimed at preserving, maintaining and developing employment.

In fact, the computerization of society, though it represents a vast potential for improving the quality of life, nevertheless poses enormous challenges for the system of social policies. As we face a change in the nature of production and new types of productivity, we must devise new means of contributing and providing access to the collective cultural, social and material wealth.

The technological revolution imposes on us new requirements for solidarity. It is not by increasing the disparities between the wealthiest and the neediest that we will succeed in adapting to the trend. The elimination of poverty is still, and will always be, possible. A recent study by the Canadian Council on Social Development estimated at 2.8 per cent of the GNP, or 4.0 per cent of total household incomes, the amount that would have to be transferred from the highest income brackets to the lowest income brackets to place all households at the poverty threshold as defined by the Council, that is 50 per cent of the average household income in Canada. This fairer distribution could be effected partially through the income redistribution system, but primarily through the reorganization of employment, because paid employment is still the favoured means of income distribution.

Let us conclude with this reflexion of Paulo Freire:

> We have more resources and greater capacity than we need to meet the fundamental human needs...the obstacles to achieving this are not material, but human.